DEBATES

OF

THE SENATE

OF THE

DOMINION OF CANADA

1949

OFFICIAL REPORT

Editor: H. H. EMERSON, *C.S.R.*

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Translators: THE BUREAU FOR TRANSLATIONS

FIFTH SESSION—TWENTIETH PARLIAMENT
13 GEORGE VI

OTTAWA
EDMOND CLOUTIER, C.M.G., B.A., L.Ph.,
KING'S PRINTER AND CONTROLLER OF STATIONERY
1949

29091—1½

REVISED EDITION

THE CANADIAN MINISTRY

According to Precedence as at November 15, 1948

The Right Honourable Louis Stephen St. Laurent, K.C. ..... Prime Minister and President of the King's Privy Council for Canada.

The Right Honourable Clarence Decatur Howe ..... Minister of Trade and Commerce.

The Right Honourable James Garfield Gardiner ..... Minister of Agriculture.

The Honourable James Angus MacKinnon ..... Minister of Mines and Resources.

The Honourable Colin Gibson, M.C., K.C., V.D. ..... Secretary of State.

The Honourable Humphrey Mitchell ..... Minister of Labour.

The Honourable Alphonse Fournier, K.C. ..... Minister of Public Works.

The Honourable Ernest Bertrand, K.C. ..... Postmaster General.

The Honourable Brooke Claxton, K.C. ..... Minister of National Defence.

The Honourable Joseph Jean, K.C. ..... Solicitor General.

The Honourable Lionel Chevrier, K.C. ..... Minister of Transport.

The Honourable Paul Joseph James Martin, K.C. ..... Minister of National Health and Welfare.

The Honourable Douglas Charles Abbott, K.C. ..... Minister of Finance and Receiver General.

The Honourable James J. McCann, M.D. ..... Minister of National Revenue.

The Honourable Wishart McL. Robertson ..... A Member of the Administration and Minister without Portfolio.

The Honourable Milton Fowler Gregg, V.C. ..... Minister of Veterans Affairs.

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

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

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

THE HONOURABLE ROBERT HENRY WINTERS ..... Minister of Reconstruction and Supply.

PRINCIPAL OFFICERS OF THE PRIVY COUNCIL

Clerk of the Privy Council and Secretary to the Cabinet ..... A. D. P. HEENEY, Esquire, K.C.

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

Assistant Secretary to the Cabinet ..... J. R. BALDWIN, Esquire.

SENATORS OF CANADA

ACCORDING TO SENIORITY

JANUARY 26, 1949

THE HONOURABLE JAMES H. KING, P.C., SPEAKER

SENATORS	DESIGNATION	POST OFFICE ADDRESS
THE HONOURABLE		
THOMAS JEAN BOURQUE	Richibucto	Richibucto, N.B.
JAMES A. CALDER, P.C.	Saltcoats	Regina, Sask.
ARTHUR C. HARDY, P.C.	Leeds	Brockville, Ont.
SIR ALLEN BRISTOL AYLESWORTH, P.C., K.C.M.G.	North York	Toronto, Ont.
WILLIAM ASHBURY BUCHANAN	Lethbridge	Lethbridge, Alta.
ARTHUR BLISS COPP, P.C.	Westmorland	Sackville, N.B.
WILLIAM H. MCGUIRE	East York	Toronto, Ont.
DONAT RAYMOND	De la Vallière	Montreal, Que.
GUSTAVE LACASSE	Essex	Tecumseh, Ont.
CAIRINE R. WILSON	Rockcliffe	Ottawa, Ont.
JAMES MURDOCK, P.C.	Parkdale	Ottawa, Ont.
JOHN EWEN SINCLAIR, P.C.	Queen's	Emerald, P.E.I.
JAMES H. KING, P.C. (Speaker)	Kootenay, East	Victoria, B.C.
ARTHUR MARCOTTE	Ponteix	Ponteix, Sask.
CHARLES COLQUHOUN BALLANTYNE, P.C.	Alma	Montreal, Que.
WILLIAM HENRY DENNIS	Halifax	Halifax, N.S.
LUCIEN MORAUD	La Salle	Quebec, Que.
RALPH BYRON HORNER	Blaine Lake	Blaine Lake, Sask.
WALTER MORLEY ASELTINE	Rosetown	Rosetown, Sask.
FELIX P. QUINN	Bedford-Halifax	Bedford, N.S.
IVA CAMPBELL FALLIS	Peterborough	Peterborough, Ont.
GEORGE B. JONES, P.C.	Royal	Apohaqui, N.B.
ANTOINE J. LÉGER	L'Acadie	Moncton, N.B.
HENRY A. MULLINS	Marquette	Winnipeg, Man.
JOHN T. HAIG	Winnipeg	Winnipeg, Man.

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

SENATORS	DESIGNATION	POST OFFICE ADDRESS
THE HONOURABLE		
VINCENT DUPUIS	Rigaud	Longueuil, Que.
CHARLES L. BISHOP	Ottawa	Ottawa, Ont.
JOHN JAMES KINLEY	Queen's-Lunenburg	Lunenburg, N.S.
CLARENCE JOSEPH VENOIT	Gloucester	Bathurst, N.B.
ARTHUR WENTWORTH ROEBUCK	Toronto-Trinity	Toronto, Ont.
JOHN ALEXANDER MCDONALD	King's	Halifax, N.S.
ALEXANDER NEIL MCLEAN	Southern New Brunswick	Saint John, N.B.
FREDERICK W. PIRIE	Victoria-Carleton	Grand Falls, N.B.
GEORGE PERCIVAL BURCHILL	Northumberland	South Nelson, N.B.
JEAN MARIE DESSUREAULT	Stadacona	Quebec, Que.
JOSEPH RAOUL HURTUBISE	Nipissing	Subdury, Ont.
PAUL HENRI BOUFFARD	Grandville	Quebec, Que.
JAMES GRAY TURGEON	Cariboo	Vancouver, B.C.
STANLEY STEWART MCKEEN	Vancouver	Vancouver, B.C.
RT. HON. IAN ALISTAIR MACKENZIE, P.C.	Vancouver Centre	Vancouver, B.C.
THOMAS FARQUHAR	Algoma	Little Current, Ont.
JOSEPH WILLIE COMEAU	Clare	Comeauville, N.S.
GEORGE HENRY ROSS	Calgary	Calgary, Alta.
JAMES GORDON FOGO	Carleton	Ottawa, Ont.
JOHN CASWELL DAVIS	Winnipeg	St. Bonifaee, Man.
THOMAS H. WOOD	Regina	Regina, Sask.

SENATORS OF CANADA

ALPHABETICAL LIST

JANUARY 26, 1949

SENATORS	DESIGNATION	POST OFFICE ADDRESS
THE HONOURABLE		
ASELTINE, W. M.	Rosetown	Rosetown, Sask.
AYLESWORTH, SIR ALLEN, P.C., K.C.M.G.	North York	Toronto, Ont.
BALLANTYNE, C. C., P.C.	Alma	Montreal, Que.
BEAUBIEN, A. L.	Provencher	St. Jean Baptiste, Man.
BEAUREGARD, ELIE	Rougemont	Montreal, Que.
BISHOP, CHARLES L.	Ottawa	Ottawa, Ont.
BLAIS, ARISTIDE	St. Albert	Edmonton, Alta.
BOUCHARD, TELESPHORE DAMIEN	The Laurentides	St. Hyacinthe, Que.
BOUFFARD, Paul Henri	Grandville	Quebec, Que.
BOURQUE, T. J.	Richibucto	Richibucto, N.B.
BUCHANAN, W. A.	Lethbridge	Lethbridge, Alta.
BURCHILL, GEORGE PERCIVAL	Northumberland	South Nelson, N.B.
CALDER, J. A., P.C.	Saltcoats	Regina, Sask.
CAMPBELL, G. P.	Toronto	Toronto, Ont.
COMEAU, JOSEPH WILLIE	Clare	Comeauville, N.S.
COPP, A. B., P.C.	Westmorland	Sackville, N.B.
CRERAR, THOMAS ALEXANDER, P.C.	Churchill	Winnipeg, Man.
DAIGLE, ARMAND	Mille Isles	Montreal, Que.
DAVID, ATHANASE	Sorel	Montreal, Que.
DAVIES, WILLIAM RUPERT	Kingston	Kingston, Ont.
DAVIS, JOHN CASWELL	Winnipeg	St. Boniface, Man.
DENNIS, W. H.	Halifax	Halifax, N.S.
DESSUREAULT, JEAN MARIE	Stadacona	Quebec, P.Q.
DUFF, WILLIAM	Lunenburg	Lunenburg, N.S.
DUFFUS, J. J.	Peterborough West	Peterborough, Ont.
DUPUIS, VINCENT	Rigaud	Longueuil, P.Q.
DUTREMBLAY, PAMPHILE RÉAL	Repentigny	Montreal, Que.
EULER, W. D., P.C.	Waterloo	Kitchener, Ont.
FAFARD, J. F.	De la Durantaye	L'Islet, Que.

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SENATORS	DESIGNATION	POST OFFICE ADDRESS
THE HONOURABLE		
FALLIS, IVA CAMPBELL	Peterborough	Peterborough, Ont.
FARQUHAR, THOMAS	Algoma	Little Current, Ont.
FARRIS, J. W. DE B.	Vancouver South	Vancouver, B.C.
FERLAND, CHARLES EDOUARD	Shawinigan	Joliette, P.Q.
FOGO, JAMES GORDON	Carleton	Ottawa, Ont.
GERSHAW, FRED WILLIAM	Medicine Hat	Medicine Hat, Alta.
GOUIN, L. M.	De Salaberry	Montreal, Que.
HAIG, JOHN T.	Winnipeg	Winnipeg, Man.
HARDY, A. C., P.C.	Leeds	Brockville, Ont.
HAYDEN, S. A.	Toronto	Toronto, Ont.
HORNER, R. B.	Blaine Lake	Blaine Lake, Sask.
HOWARD, C. B.	Wellington	Sherbrooke, Que.
HOWDEN, JOHN POWER	St. Boniface	Norwood Grove, Man.
HUGESSEN, A. K.	Inkerman	Montreal, Que.
HURTUBISE, JOSEPH RAOUL	Nipissing	Sudbury, Ont.
HUSHION, W. J.	Victoria	Westmount, Que.
JONES, GEORGE B., P.C.	Royal	Apohaqui, N.B.
KING, J. H., P.C. (Speaker)	Kootenay, East	Victoria, B.C.
KINLEY, JOHN JAMES	Queen's-Lunenburg	Lunenburg, N.S.
LACASSE, G.	Essex	Tecumseh, Ont.
LAMBERT, NORMAN P.	Ottawa	Ottawa, Ont.
LÉGER, ANTOINE J.	L'Acadie	Moncton, N.B.
LESAGE, J. A.	The Gulf	Quebec, Que.
MACKENZIE, RT. HON. IAN ALISTAIR, P.C.	Vancouver Centre	Vancouver, B.C.
MACLENNAN, DONALD	Margaree Forks	Port Hawkesbury, N.S
MARCOTTE, A.	Ponteix	Ponteix, Sask.
MCDONALD, JOHN ALEXANDER	King's	Halifax, N.S.
MCGUIRE, W. H.	East York	Toronto, Ont.
MCINTYRE, JAMES P.	Mount Stewart	Mount Stewart, P.E.I.
MCKEEN, STANLEY STEWART	Vancouver	Vancouver, B.C.
MCLEAN, ALEXANDER NEIL	Southern New Brunswick	Saint John, N.B.
MORAUD, L.	La Salle	Quebec, Que.
MULLINS, HENRY A.	Marquette	Winnipeg, Man.
MURDOCK, JAMES, P.C.	Parkdale	Ottawa, Ont.
NICOL, JACOB	Bedford	Sherbrooke, Que.
PAQUET, EUGÈNE, P.C.	Lauzon	Rimouski, Que.
PATERSON, N. MCL.	Thunder Bay	Fort William, Ont.

SENATORS	DESIGNATION	POST OFFICE ADDRESS
THE HONOURABLE		
PIRIE, FREDERICK W.	Victoria-Carleton	Grand Falls, N.B.
QUINN, FELIX P.	Bedford-Halifax	Bedford, N.S.
RAYMOND, D.	De la Vallière	Montreal, Que.
ROBERTSON, W. McL., P.C.	Shelburne	Bedford, N.S.
ROEBUCK, ARTHUR WENTWORTH	Toronto-Trinity	Toronto, Ont.
ROSS, GEORGE HENRY	Calgary	Calgary, Alta.
SINCLAIR, J. E., P.C.	Queen's	Emerald, P.E.I.
STEVENSON, J. J.	Prince Albert	Prince Albert, Sask.
ST-PÈRE, E. C.	De Lanaudière	Montreal, Que.
TAYLOR, WILLIAM HORACE	Norfolk	Scotland, Ont.
TURGEON, JAMES GRAY	Cariboo	Vancouver, B.C.
VAILLANCOURT, CYRILLE	Kennebec	Levis, Que.
VENIOT, CLARENCE JOSEPH	Gloucester	Bathurst, N.B.
VIEN, THOMAS, P.C.	De Lorimier	Outremont, Que.
WILSON, CAIRINE R.	Rockcliffe	Ottawa, Ont.
WOOD, THOMAS H.	Regina	Regina, Sask.

SENATORS OF CANADA

BY PROVINCES

JANUARY 26, 1949

ONTARIO—24

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

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

NOVA SCOTIA—10

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

NEW BRUNSWICK—10

	THE HONOURABLE	
1	THOMAS JEAN BOURQUE	Richibucto.
2	ARTHUR BLISS COPP, P.C.	Sackville.
3	GEORGE B. JONES, P.C.	Apohaqui.
4	ANTOINE J. LÉGER	Moncton.
5	CLARENCE JOSEPH VENIOT	Bathurst.
6	ALEXANDER NEIL MCLEAN	Saint John.
7	FREDERICK W. PIRIE	Grand Falls.
8	GEORGE PERCIVAL BURCHILL	South Nelson.
9		
10		

PRINCE EDWARD ISLAND—4

	THE HONOURABLE	
1	JOHN EWEN SINCLAIR, P.C.	Emerald.
2	JAMES PETER MCINTYRE	Mount Stewart.
3		
4		

BRITISH COLUMBIA—6

SENATORS	POST OFFICE ADDRESS
THE HONOURABLE	
1 JAMES H. KING, P.C. (Speaker)	Victoria.
2 JOHN W. DE B. FARRIS	Vancouver.
3 JAMES GRAY TURGEON	Vancouver.
4 STANLEY STEWART MCKEEN	Vancouver.
5 RT. HON. IAN ALISTAIR MACKENZIE, P.C.	Vancouver.
6	

MANITOBA—6

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

SASKATCHEWAN—6

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

ALBERTA—6

THE HONOURABLE	
1 WILLIAM ASHBURY BUCHANAN	Lethbridge.
2 ARISTIDE BLAIS	Edmonton.
3 FRED WILLIAM GERSHAW	Medicine Hat.
4 GEORGE HENRY ROSS	Calgary.
5	
6	

PRINCIPAL OFFICERS OF THE SENATE

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

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

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

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

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

Arthur H. Hinds, Chief Clerk of Committees.

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

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

CANADA

The Debates of the Senate

OFFICIAL REPORT

THE SENATE

Wednesday, January 26, 1949.

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

The Senate met at 11.30 a.m., the Speaker in the Chair.

Prayers.

OPENING OF THE SESSION

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

NEW SENATORS INTRODUCED

The following newly-appointed senators were severally introduced and took their seats:

Hon. Thomas Farquhar, of Little Current, Ontario, introduced by Hon. Wishart McL. Robertson and Hon. Joseph R. Hurtubise.

Hon. Joseph Willie Comeau, introduced by Hon. Wishart McL. Robertson and Hon. John A. McDonald.

Hon. George Henry Ross, introduced by Hon. Wishart McL. Robertson and Hon. W. A. Buchanan.

The Senate adjourned during pleasure.

At 2.30 p.m. the sitting was resumed.

The Senate adjourned during pleasure.

SPEECH FROM THE THRONE

Honourable Members of the Senate:

Members of the House of Commons:

The first concern of government in world affairs is to ensure peace and security. To this end, Canada continues to support the principles of the United Nations Charter. Our foreign policy is based on the realities and dangers of the existing situation. One of these is the Communist menace. Until the United Nations are able to provide an adequate guarantee of peace and security, peace-loving nations will also be obliged to seek security by combining their strength. The North Atlantic nations, including Canada, are negotiating a security pact. The treaty when concluded will be laid before you for approval. The North Atlantic Treaty will supplement the Treaty of Mutual Guarantee signed by the western European nations at Brussels last year. Such regional arrangements are provided for in the United Nations Charter.

Despite unsettled conditions and the disruptive activities of international Communism, the nations of western Europe are making progress toward recovery. Aid from North America is contributing substantially to the restoration of economic activity, thereby increasing their ability to resist internal and external aggression.

At home we have been blessed with good crops. Industrial expansion is taking place at an unprecedented rate. There have been few differences between employers and employees leading to stoppages in work. Inflationary pressures are less pronounced. Employment is at higher levels than ever before. In striking contrast with Communist countries, the free economy of our country is demonstrating its ability to provide for all a high standard of living, social justice and individual freedom. It is the view of my ministers that a steady advance toward the goal of social justice for all is an effective safeguard against the influence of subversive doctrines.

The people of Newfoundland, by a majority vote in a referendum, expressed their desire to enter confederation. The precise terms of union were subsequently negotiated with an authorized delegation from Newfoundland. You will be asked without delay to approve the agreement, signed on December 11, and to make provision for the entry of Newfoundland as a province of Canada on March 31. I am confident the union will be of mutual advantage to Newfoundland and Canada.

Amendments to the Supreme Court Act to make the Supreme Court of Canada the court of last resort for Canada will be submitted for your consideration.

You will be asked to approve, subject to the approval of the United States authorities, the agreement concluded in 1941 for the development of navigation and power in the Great Lakes-St. Lawrence Basin.

You will be asked to make the further legislative provision necessary to implement the agreements for the sale of agricultural products to the United Kingdom.

With a view to assisting in the restoration of world trade, so vital to general security and our own prosperity, Canada participated in formulating the charter for the International Trade Organization and the General Agreement on Tariffs and Trade, which will be submitted for your approval. Within the next few months Canada will engage in further negotiations with thirteen other countries to broaden the scope of the tariff concessions which we obtained at Geneva in 1947. The government will continue to press vigorously for the lowering of tariff and other barriers and, as quickly as possible, the expansion of trade on a multilateral basis.

Meanwhile the government is seeking to remove specific obstacles to the continued sales of Canadian products in our traditional export markets, and to that end is co-operating closely with the nations concerned in the implementation of the European Recovery Program.

The continuing committee established by the governments in Canada and the United Kingdom to review the progress of trade between the two countries is presently meeting in London.

In the interests of both domestic and foreign trade, legislation will be introduced with the object of promoting extensive and adequately safeguarded use of the national trade mark "Canada Standard" associated with goods which conform to prescribed standards, and of requiring proper labelling of goods to prevent deception of the public.

Improvement in our United States dollar position has resulted in the removal of certain restrictions imposed in November, 1947. Further restrictions will be removed as the position improves. So long as trading and financial conditions remain unstable, a degree of control over foreign exchange will be required. You will, accordingly, be asked to extend the Foreign Exchange Control Act for a further period.

The report of the Royal Commission on Prices will be laid before you as soon as it has been submitted to the Government.

Your approval will also be sought for legislation to continue in force steel control and a limited number of price controls, including control over the rental of housing accommodation.

You will be asked to make legislative provision for governmental assistance by loan to the producers of basic steel for the purpose of increasing production.

The governments of the provinces have been advised that the federal government is prepared to discontinue rent control in any province in which the government expresses the desire to assume the jurisdiction.

The provision of housing has received and continues to receive close attention. More new housing units were provided during the last calendar year than ever before.

Your approval will be sought for the establishment of a Department of Reconstruction and Development to continue the functions now vested in the Department of Reconstruction and Supply, including the ministerial responsibility for the Central Mortgage and Housing Corporation.

A measure for assistance in the provision of a transcontinental highway will also be laid before you.

A royal commission has been appointed to enquire into and report upon all questions of economic policy within the jurisdiction of parliament arising out of the operation and maintenance of national transportation. Together with the findings of the investigation by the Board of Transport Commissioners, the report of the royal commission should furnish parliament and the government with the basis for a sound transportation policy.

The national health program, inaugurated by the Government last year, is receiving co-operation from all the provinces. In supplementing provincial health measures, the program has already made a contribution to the health facilities of Canada and will thereby bring increasing benefit to our people.

A bill will be introduced to broaden the scope of the Family Allowances Act, as a further instalment of the policy of the government to provide a national standard of social security and human welfare designed to assure the greatest possible measure of social justice for all Canadians.

The organization of the armed forces to provide for unification and co-ordination has been pressed forward. Steady progress has been made in the recruitment and training of officers and men of the active and reserve forces, so that the Navy, Army and Air Force may be in a position to meet the defence needs of Canada as these may change from time to time.

Conditions of service in the armed forces are being further improved, and as rapidly as the results of research can be adequately tested, additional equipment is being made available. Amendments to existing legislation with respect to the armed forces will be recommended for your consideration.

Other measures to which your attention will be directed include bills respecting forest conservation, overseas telecommunications, the control and regulation of interprovincial and international pipe lines, and assistance for the Canadian shipbuilding industry. Your approval will be sought for measures to amend the Industrial Development Bank Act, the Emergency Gold Mining Assistance Act, and the Prairie Farm Assistance Act.

It is the view of my ministers that there should be an examination of the activities of agencies of the federal government relating to radio, films, television, the encouragement of arts and sciences, research, the preservation of our national records, a national library, museums, exhibitions, relations in these fields with international organizations, and activities generally which are designed to enrich our national life, and to increase our own consciousness of our national heritage and knowledge of Canada abroad. For this purpose, the government intends at an early date to establish a royal commission.

Members of the House of Commons:

You will be asked to make the customary provision for essential services.

Prosperous conditions now prevailing are being reflected in the buoyant level of national revenues; a condition to which due consideration is being given by my ministers in the preparation of forthcoming budgetary proposals.

Honourable Members of the Senate:

Members of the Commons:

The birth of a son to Their Royal Highnesses Princess Elizabeth and the Duke of Edinburgh has been the occasion of widespread rejoicing. Happiness over the birth of the Royal Prince has been tempered by regret over the indisposition of His Majesty the King. The people of Canada hope and pray for the complete recovery of the King's health.

Since the close of your last session, Mr. Mackenzie King has retired as Prime Minister. I feel it is the hope of all Canadians that Mr. King will be spared, over a long period and with less exacting responsibilities, to continue his distinguished and devoted service to Canada and the free world.

May Divine Providence bless your deliberations.

The House of Commons withdrew.

His Excellency the Governor General was pleased to retire.

The sitting of the Senate was resumed.

RAILWAY BILL

FIRST READING

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

The bill was read the first time.

CONSIDERATION OF SPEECH FROM THE THRONE

MOTION

On motion of **Hon. Mr. Copp** (for Hon. Mr. Robertson), it was ordered that the Speech of His Excellency the Governor General be taken into consideration on Tuesday next.

COMMITTEE ON ORDERS AND PRIVILEGES

MOTION

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

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

The motion was agreed to.

The Senate adjourned until Tuesday, February 1 at 3 p.m.

THE SENATE

Tuesday, February 1, 1949.

The Senate met at 3 p.m., the Acting Speaker (Hon. A. B. Copp) in the Chair.

Prayers and routine proceedings.

NEW SENATORS INTRODUCED

The following newly-appointed senators were severally introduced and took their seats:

Hon. James Gordon Fogo, K.C., of Ottawa, Ontario, introduced by Hon. Wishart McL. Robertson and Hon. Cairine R. Wilson.

Hon. Thomas H. Wood, of Regina, Saskatchewan, introduced by Hon. Wishart McL. Robertson and Hon. J. J. Stevenson.

Hon. James Caswell Davis, O.B.E., of St. Boniface, Manitoba, introduced by Hon. Wishart McL. Robertson and Hon. A. L. Beaubien.

THE LATE MRS. J. H. KING

TRIBUTES TO HER MEMORY

Hon. Wishart McL. Robertson: Honourable Senators, when we last met, His Excellency was opening Parliament, and the gracious wife of His Honour the Speaker was in her usual place on the floor of this chamber. Shortly afterward, as was her custom, she received hundreds of guests at the Speaker's reception, greeting each with a cheery smile, a kindly word and a sincere and genuine welcome.

In the intervening period she has passed from our midst, we have paid our last respects to her memory, and even as we are gathered here a transcontinental train is swiftly bearing her remains westward. Soon she will find her last resting place in the province where for over forty years she and His Honour the Speaker lived happily together, sharing each other's fortunes and misfortunes, and where she radiated cheerfulness and shed brightness on all with whom she came in contact.

In due course His Honour the Speaker will return to continue to preside over our deliberations with his customary grace and dignity. On his sad journey westward his heart will be heavy and his loneliness difficult to endure; but when he returns it may afford him some small measure of comfort to realize that in his great sorrow he has the sincere sympathy of his colleagues in this chamber, and that they have considered it a privilege and an honour to have known and to have been associated with Mrs. King and himself.

Hon. John T. Haig: Honourable members, it may be somewhat unusual to make comments here under circumstances of this kind, but on this occasion I do so out of my very great respect for the late Mrs. King. Not all wives of senators come to Ottawa frequently; some visit it only once in a while; but our association with Mrs. King was almost as close as with the Speaker himself. We have known our Speaker for many years as an eminent son of Canada; and because of our close relationship with him and his wife, it came as a terrible shock to all of us to learn on Thursday morning that the call had come to Mrs. King.

As one who knew her, I respect her memory very highly, and I hope that my words today will be some solace to His Honour when he returns to this house, faced by the great problem of bereavement and the thought that the woman whom he trusted and who counselled him through the years will not be here to encourage and support him. May our sympathy help him to bear his burden.

CHEESE AND CHEESE FACTORY IMPROVEMENT BILL

FIRST READING

Hon. Mr. Robertson presented Bill B, an Act to amend the Cheese and Cheese Factory Improvement Act.

The bill was read the first time.

NATIONAL TRADE MARK BILL

FIRST READING

Hon. Mr. Robertson presented Bill C, an Act respecting the application of a National Trade Mark to commodities, and respecting the true description of commodities.

The bill was read the first time.

PENSION FUND SOCIETIES BILL

FIRST READING

Hon. Mr. Robertson presented Bill D, an Act to amend the Pension Fund Societies Act.

The bill was read the first time.

NATIONAL RAILWAYS AUDITORS BILL

FIRST READING

Hon. Mr. Robertson presented Bill E, an Act respecting the appointment of auditors for the National Railways.

The bill was read the first time.

GAME EXPORT BILL

FIRST READING

Hon. Mr. Robertson presented Bill F, an Act to amend the Game Export Act.

The bill was read the first time.

COMMITTEE OF SELECTION

MOTION OF APPOINTMENT

Hon. Wishart McL. Robertson: Honourable senators, with the consent of the Senate I would move:

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

The motion was agreed to.

OILS AND FATS

RETURN TO ORDER

Hon. Mr. Robertson: I beg to lay on the table a return to an order of this house passed on June 10 last with respect to oils and fats. It will be recalled that this information was requested by the Right Honourable gentleman from Vancouver-Centre (Right Hon. Mr. Mackenzie).

DECEASED SENATORS

TRIBUTES TO THE LATE J. J. DONNELLY, G. V. WHITE, J. A. MACDONALD (CARDIGAN), J. A. MCDONALD (SHEDIAC), DONALD SUTHERLAND, C. P. BEAUBIEN AND BREWER ROBINSON.

Hon. Wishart McL. Robertson: Honourable senators, I regret to have to inform the house officially that since we last met we have lost a considerable number of our colleagues. One of them was the senior member of the Senate, others had graced this chamber for many years, and one was relatively young and a fairly recent appointee. However, death is no respecter of age. I am going to avail myself of this opportunity of referring briefly to our deceased colleagues, as no doubt other honourable senators will do, and I suggest that as a mark of respect we adjourn for the day at the conclusion of our tributes.

The Honourable Senator James J. Donnelly, South Bruce, died on October 20, 1948. He was born on November 14, 1866, at Pinkerton, Ontario, the son of James Donnelly and Ellen Desmond, and received his education there. In 1895 he married Julia C. McNab, the daughter of the late Michael McNab. They had seven children.

At an early age the late senator became interested in public life in his community. Successively, he was Reeve of Greenock Township for two years, and a member of Bruce County Council for four years. In 1902 he became Warden of the County of Bruce. He successfully contested the by-election of 1904 in South Bruce and took his seat in the House of Commons; and he was re-elected in the general elections of 1908 and 1911. A successful businessman, he engaged in lumbering and livestock farming. In spite of his many public duties he maintained active business interests, and was president of Donnelly Brothers, Limited, and a director of the Capital Trust Company.

Senator Donnelly was one of the pioneers of Bruce county, a fact to which he often referred with the greatest pride. He was a man of wide experience, excellent judgment and the kindliest disposition. He was summoned to the Senate on May 27, 1913, and at the time of his death was the senior member of this house. He occupied here a position of great prominence, and he will be sorely missed by his colleagues, who held him in the highest regard.

Colonel the Honourable Senator Gerald Verner White, C.B.E., V.D., of Pembroke, died on October 24, 1948. He was born on July 6, 1879, at Pembroke, Ontario, the son of the Honourable Peter White and Janet R. Thomson. After being educated in the public schools there, he attended McGill University, where he obtained his Bachelor of Science degree in mining engineering. On August 15, 1906, he married Mary Elizabeth Trites, of Petitcodiac, New Brunswick. They had three children.

Senator White began his career with the Canadian Pacific Railway in 1901, and was associated with that company in investigating its mining properties in British Columbia. In 1902 and 1903 he worked with the mineral department of the Dominion Steel and Coal Company, at Syndey, Nova Scotia, and then returned to Pembroke, as an associate of his father in the lumber business there. He served as a director of the Pembroke Lumber Company until 1920. He was at one time a director of the Thomas Pink Company and the Pembroke Woollen Mills, and at the time of his death was a director of the Steel Equipment Company of Canada.

The late senator's notable military career began in 1904, when he joined the active militia. He went overseas in the first World War, and was made a colonel in 1917. In June of that year he became Director of Timber Operations, Canadian Forestry Corps. In recognition of his distinguished military service he was created in 1918 a Commander of the Order of the British Empire.

His distinguished political life began in a by-election in 1906, when he was elected to the House of Commons for North Renfrew, a seat that had been left vacant by the death of his father. He was again returned to the House of Commons in the general elections of 1908 and 1911. He was summoned to the Senate on November 16, 1919, and I do not need to remind honourable members of the prominent part that he played in the work of this house. As Chairman of the Internal

Economy Committee and as a leading member of the party with which he was associated, he was an outstanding figure. He served his time and generation well, and he will be sorely missed in this chamber, which he adorned and in which he was for so long a familiar figure.

The Honourable Senator John Alexander Macdonald, P.C., Cardigan, died on November 15, 1948. He was born at Tracadie, Prince Edward Island, on April 12, 1874, the son of John C. and Elizabeth Mary Macdonald, and his early education was completed at the public schools there. On September 18. 1905, he married Marie J. MacDonald, the daughter of Joseph MacDonald, of Cardigan, Prince Edward Island. They had eight children.

The late senator, prominent in public life for the past forty years, was equally well known in business. He was president of the mercantile and exporting firm of J. A. Macdonald and Company, Limited, of Cardigan; president of Associated Shippers Incorporated of Charlottetown, and a director of Island Foods Incorporated. He was elected to the provincial legislature in the election of 1908, and re-elected to that house in 1911 and 1923. From 1911 to 1916 he was a minister without portfolio in the Mathieson government, and in 1923 he assumed the portfolio of Public Works and Highways in the first Stewart government. In 1925 he resigned from the provincial government to contest the federal seat of Kings County, and was elected to the House of Commons in October of that year. The following year he became minister without portfolio in the Meighen government. He was re-elected to the House of Commons in 1926 and 1930, and on July 30, 1935, he was summoned to the Senate.

While interested in all matters of public policy, Senator Macdonald was first and foremost a representative of the agricultural interests in his native province of Prince Edward Island. Agriculture has always been its major industry, and in Senator Macdonald the farmers of the "Garden of the Gulf" had a faithful friend and champion.

The Honourable John Anthony McDonald, Shediac, died on December 12, 1948. He was born on December 24, 1875, the son of Edward McDonald and Jane Simpson. After attending the schools at Shediac, the late senator went to St. Joseph's College at Memramcook, New Brunswick. He continued his keen interest in educational affairs, and from 1909 to 1911 served on the executive committee of the St. Francis Xavier Alumni Association, and in 1911 was elected to the Board of Governors of St. Francis Xavier University as alumni representative, and served in that capacity until 1917. In his business life he was a manufacturer. On June 20, 1901 he married Alice Todd Aylward, the daughter of John Aylward. Six children were born to them, four sons and two daughters.

Senator McDonald was appointed to the Senate on February 17, 1921, and served for a period of twenty-eight years. He was a faithful attendant at all sittings of the house and of the committees of which he was a member.

He was extremely proud of his Scottish ancestry. Indeed, the last time I spoke to him, which was shortly before the close of the last session, he showed me with great pride an invitation he had received to attend the Gaelic Mod in St. Ann's, Cape Breton, as the representative of the McDonalds of New Brunswick. In due course he attended the gathering, where he was one of the speakers. It was perfectly fitting, perhaps, that his last official appearance should be in connection with a celebration which was very close to his heart.

Honourable Donald Sutherland, Oxford, died on January 1, 1949. He was born on April 8, 1863, in Zorra Township, Oxford County, Ontario, the son of Robert Sutherland and Elizabeth Hutchinson. On April 22, 1896 he married Minnie Pearl Hossack of Zorra Township. They had seven children.

The late senator served as a member of the township council of North Oxford in 1896, and following the general election of May 28, 1902, he represented the riding of South Oxford in the Ontario Legislature. In the general election of January 25, 1905 he was re-elected as a member of the Ontario Legislature, and on March 10, 1909 he was appointed Director of Colonization and Immigration for Ontario by the Whitney government. In 1911 he resigned from that position to successfully contest the South Oxford seat in the House of Commons. During the special war session of 1914 the late senator moved the Address in Reply to the Speech from the Throne. He was re-elected to the House of Commons at the general elections of 1917, 1921 and 1925. On July 19, 1926 he was made a member of the Privy Council and minister without portfolio in the Meighen government, and on July 20, 1935 was summoned to the Senate.

Senator Sutherland's health in recent years did not permit him to take the prominent part in the Senate's activities that his long experience warranted, and many of the junior members of this house were deprived of the opportunity to enjoy the friendship of a thorough gentleman.

The Honourable Senator Charles Phillipe Beaubien, Montarville, died January 17, 1949. He was born in Montreal on May 10, 1870, the son of Louis Beaubien, a distinguished public

figure who served, first as Speaker of the Quebec Legislative Assembly, and later, as Minister of Agriculture.

Following his education at St. Mary's College, Senator Beaubien attended the University of Montreal—then called Laval University—where he studied law. He was admitted to the Bar of Quebec in 1894. In 1899 he married Margaret Power of San Diego, California. Three children were born to them.

Through his acute business sagacity and eminently successful law practice, Senator Beaubien became a director of many large Canadian firms. At one time he was a director of the Dominion Steel and Coal Company, the Nova Scotia Steel and Coal Company, the Banque Canadienne Nationale, the Canadian Car and Foundry Company, Limited, the Insurance Company of Canada, the British American Oil Company and the Credit Foncier Franco-Canadienne. At the same time he carried on an extensive law practice and found time to gain prominence in public life.

Our late colleague was summoned to this house on December 3, 1915. In 1927 he was chairman of the convention which elected the Right Honourable R. B. Bennett leader of the Conservative Party. His associations and interests required him to travel extensively in this country and throughout the world. He was president of the Canadian section of the Inter-Parliamentary Union in 1922, 1933, and 1934, and was a delegate to its conferences, in Switzerland in 1919, and later at Vienna, Washington, Paris, Berlin and Bucharest. He successfully negotiated treaties for Canada with the French Government. In 1931 he was Canadian delegate to the League of Nations at Geneva, and represented Canada at the Pan-American Postal Conference at Mexico. In 1934 he was made a Commander of the Legion of Honour.

During recent years Senator Beaubien was not able to attend the sittings of this house regularly, so the senior members would know him best. When I was appointed to the Senate in 1943 he was still favouring his fellow members with his eloquence and charm of manner. Honourable senators who knew him best will appreciate that his passing marks the loss to this chamber of a cultured gentleman.

The Honourable Brewer Waugh Robinson, Summerside, died January 20, 1949. He was born at Summerside, Prince Edward Island, January 9, 1891, the son of George W. Robinson and Lucy Waugh. He received his education at Summerside High School and Commercial College, and on September 24, 1919, married Ethel R. Mills, the daughter of W. A. Mills of Halifax. They had no children.

The late Senator Robinson was a prominent silver fox rancher, a director of the Prince Edward Island Fur Pool Limited, and president of Robinson's Mill and Bakery Limited. During the first Great War he served overseas for four years, and later became president of the Provincial Command of the Canadian Legion. In 1942 he again went overseas, this time with the Canadian Legion War Services. In 1936 he was elected to the Prince Edward Island Legislature, and during that year and the following one served as Mayor of Summerside. He was summoned to the Senate on April 9, 1945.

The late senator was particularly interested in the problems of ex-service men. His comparative youth marked him as one who might be expected to contribute years of useful service to the nation and to the community in which he lived. But such was not to be, for after less than four years membership of this house he is no longer with us. His colleagues in this chamber extend sincere sympathy to those who mourn his untimely passing.

Hon. John T. Haig: Honourable members, seldom is a member of this house called upon to pay tribute to the memory of so many of our members as have passed away in the short period since the end of the last session. Actually, since October 20 last the call has come to no less than seven of them.

Because I knew these gentlemen so intimately it is difficult for me to speak of them. When one has been here for many years one gets to know his fellow-members and what they are like, and it is very depressing to lose them, especially when they have been as close as or closer than a brother. The honourable leader of the government has well and carefully outlined the lives of those who have gone, and I shall not enlarge upon what he said; but perhaps I may philosophize for a few moments. I hope that when I am no longer in this house, and somebody undertakes to speak about me, he will be able to say of me, as I think I can say without exception of the seven former members whom we now have in memory, that "though that fellow made lots of mistakes, they were all mistakes of the head, not of the heart."

To me the late Senator Donnelly was always "Senator Donnelly". To any question about agriculture, especially ranching and cattle-raising, he could always be depended upon for an informative answer. He also was extremely well-informed about lumbering, and had contributed notably to the development of both these branches of economic life in the province of Ontario. He was a great Canadian, and made a great contribution to the work of this house. His standard of morality was high, and his love of Canada was an inspiration to men who, like myself, followed him in later years to this chamber.

His was the great honour of being Number One on the roll of the Senate. For his wife and family I bespeak the sympathy of this house, knowing as I do that the husband and father made a real contribution to the greatness of Canada.

I find it harder to speak today about Senator White than of any other of our departed colleagues. There was in Gerald White a quality which I cannot define, but which I have always wished I possessed. I liked him; I did not know why. I thought that perhaps I was the only one who felt something like love for him, but I have discovered that others had the same feeling. His was a personality which made people not only love him but trust him. I venture to assert that there is not a member of this house who sat with him on committees but knows that when Gerald took a stand, he took it because he thought it was the right stand in the interests of Canada.

To his wife and daughter I express on behalf of all our sincere sympathy. For me, his place will not readily be filled. His record as a member of the House of Commons was outstanding, as was his record on the field of battle in the first World War; his contribution to the mining development of this country was exceptional; but I believe his greatest service was rendered in the Senate of Canada. The Senate is a better chamber because of his presence in it.

Senator Macdonald of Prince Edward Island was known to us on this side as "Cardigan Jack". There were so many senators of the same name that it was natural to look for some way of distinguishing them so the late Senator from Prince Edward Island became known to us as "Cardigan Jack". He served with distinction in the Legislature of Prince Edward Island and in the House of Commons. He was a member without portfolio of the Bennett government, and afterwards for many years he was a very useful and helpful member of the various Senate committees on which he served. In the last year or two, the physical frailty which so frequently accompanies advancing years affected a little the regularity of his attendance. But we must remember such men as they were for their years of service in our chamber. May I express to his wife and family the sympathy of this house. His boys had a distinguished record in the second World War, and, as an associate of the late Senator Macdonald, I want them to know how much I admired and appreciated him and the service he rendered to Canada here and elsewhere.

I did not know Senator John Anthony McDonald until I came to this house, nor did I know him intimately until I became leader of the opposition. Next to his admiration of Scottish characteristics and traditions I would emphasize his interest in labour. He believed, whether rightly or not, that he was in a unique position to render service to Canada by helping labour. In what degree he succeeded I am not in a position to say, but I know that he never came to me unless it was to advocate a position which he thought we as senators should adopt with regard to labour problems. Members of his family, also, had a very distinguished war record: his patriotism and loyalty survived in his children.

Donald Sutherland, from Oxford, was the first member of the Conservative party since confederation to be elected to either the Legislature of Ontario or to the House of Commons. His qualities must have appealed to the Scottish people of his community. I can well understand why. During the last few years ill health prevented him from taking a very active part in the work of this house, but those who knew him shared the love and respect felt for him by his former constituents. At least two members of his family had very distinguished records in the last war; and those of us who have met them know what splendid people they are. To Mrs. Sutherland, whom many of us knew personally, and to the boys and girls of the family, I would pass on our wish that they may live long to cherish the memory of their distinguished father.

Senator Beaubien was a French gentleman in the best sense of the term. One might picture him as having been lifted out of the pages of the history of France of a hundred years ago, the son of a French gentleman, educated in the schools of that country. He had high ideals, and his hopes and ambitions for the development of our country reflected those ideals. We who were here some years ago, before the arrival of my honourable friend who is now the leader of the government, remember with pleasure the war that was carried on by Senator Dandurand, who sat opposite, and Senator Beaubien, who sat on this side. It was a charming and fascinating performance. Never once was there any hitting below the belt, but any little gibe that either could get in was quite permissible and appropriate; for although, I believe, they were closely related by marriage, the fact was never evident on the floor of this house. It was a delightful experience to watch these two gladiators in debate. Most of the time they spoke English, but at times they would lapse into French most effectively.

I knew Charlie Beaubien as a sound businessman. He was a director of one of the largest loan companies in Canada—it lent more money in Manitoba than all other loan companies together—and he helped to direct its policies. Senator Beaubien will be sorely missed by all of us. Although ill health pre-

vented him from taking an active part in our deliberations during the past four years, those of us who were associated with him in this chamber in former years knew him as a charming gentleman and a great Canadian.

I hardly got to know Senator Robinson, but I should like to pay tribute to his memory in a few words. I noticed that when he attended our committee meetings he always adopted the attitude, "Oh, well, these people may have made a mistake, but let us give them another chance". I regarded him as a young man who, because of his military experience, might have made a splendid contribution to this house. But we have no control over our futures. We shall certainly miss him, and I wish to say to his wife and many friends that he had already found a niche in the life of the Senate.

Honourable senators, it is rather difficult to criticize the Senate of Canada, as is sometimes done, when it is realized that every word spoken this afternoon about our late colleagues is true. I feel that their contribution to Canada will long remain in the memory of our people.

Hon. Thomas Vien: Honourable senators, it is my pious duty to concur in the eloquent tributes paid by the honourable leader of the government and the honourable leader of the opposition, to the memory of our honourable colleagues who have been removed from our midst by the Grim Reaper in the short period which has elapsed since prorogation.

I had, indeed, for each and every one of them, a profound respect, and I prize highly the privilege of having served with them in this honourable chamber. I shall not repeat what has already been so aptly said; we all agree that our lamented colleagues served our country faithfully and well, and deserve the confidence and gratitude of their fellow men. It is therefore fitting and proper that their respected names and a statement of their *curriculum vitae* and of their services be registered in the official record of this house. This has been eminently done by the honourable leaders who have already spoken.

I desire, however, to make special reference to the late honourable senator from Montarville, because of our long acquaintance, association and friendship. Honourable Senator Beaubien belonged to one of our most distinguished French-Canadian families, one which might well serve as an example because of its long tradition of integrity, industry and devotion to public service. His father had been Speaker of the Legislative Assembly and, later, Minister of Agriculture of Quebec. His mother was the daughter of Sir James Stuart, who at that time was Chief Justice of Quebec. His grandmother, Lady Stuart, was the daughter of Philippe Aubert de Gaspé, Seigneur of St. Jean Port Joli, one of the outstanding seigniorial families of the French regime.

Senator Beaubien distinguished himself at the Bar of his native province, in business—where he became the director of several of our most important industries—and during his long career in the Senate. He has frequently had occasion to discharge very important public duties. I recall that in 1923, when I was serving in the House of Commons, a Liberal government chose him as leader of a delegation of Canadian parliamentarians and businessmen who accompanied the exhibition train which was sent to France. As chairman of the Canadian group of the Inter-Parliamentary Union, he represented Canada at Geneva in 1919, at Vienna in 1922, at Washington in 1925, at Paris in 1927, and at Berlin in 1928. He was also entrusted with special missions to France in 1919, 1920 and 1922. In 1921 the Canadian government selected him to negotiate a reciprocal trade agreement with France, and he succeeded in bringing this very difficult undertaking to fruition. He was also a Canadian delegate to the League of Nations in 1931. In all these missions he demonstrated his eloquence, ability and tact to the other distinguished statesmen of the world whom he had occasion to meet. During a recent trip to Britain, France and other countries of Europe, I met several statesmen who spoke of Senator Beaubien with admiration and kindliness.

Senator Beaubien also played an important part in the councils of his party, and at the National Convention held in Winnipeg in 1927 he was elected joint chairman. In 1934 he was joint chairman of the National Committee of the Jacques Cartier Centenary in commemoration of the discovery of Canada, a position in which he discharged his duties and functions with great brilliance at Gaspé, Quebec and Montreal. He was, for many years, chairman of *le Comité France-Amerique*, an office in which he succeeded the late Senator Dandurand, one of the founders of the organization in Paris and Montreal.

In the metropolis of Canada, Montreal, where the late Senator Beaubien resided and carried on his professional practice, he was universally respected and loved. His noble character, his gentlemanliness, his faithfulness to his friends, his willingness to serve in all enterprises of benevolence and community welfare, endeared him to the hearts of all those who came in contact with him.

I tender to the honourable leader of the opposition and his associates our profound sympathy for the loss that they and their party have suffered in the death of so many

of their colleagues. It is a loss that we on this side share with them, for I am sure all honourable members feel that this house is much the poorer by reason of it.

I wish also to join in the expression of sympathy to the families of our departed colleagues, and I trust that His Honour the Speaker and the Clerk of the House will convey our condolences to them.

The departure in such a short time of so many of our number reminds me of this saying of the French philosopher Jouffroy:

When we leave this world, what does it matter to others and to ourselves whether honour, happiness or sorrow have fallen to our lot? All these things exist only at the moment when they are felt; the trace of the wind through the leaves is not more fugitive. We take away with us from this life only the perfection acquired by our souls; we leave in this world only the good we have accomplished.

Hon. Iva C. Fallis: Honourable senators, in all the years that I have been in the Senate this is the first time that I have risen to speak on an occasion such as this, for in the past I have always felt that the leaders on both sides and those who were most closely associated with our late colleagues could say all that was necessary. But today, in addition to associating myself with the tributes that have been paid, I feel that as the sole remaining Conservative senator for the province of Ontario I should pay my own special tribute to those of our departed colleagues who also belonged to my province.

When I first became actively interested in political life the late Senator Sutherland was one of the ablest and most active men in our party. An experienced parliamentarian and a fluent speaker, he was in great demand on the public platform, especially in rural constituencies. The honourable leader on this side referred to the fact that in earlier days the late senator was the only person who could carry the County of Oxford for the Conservative party, and I might say that if you had known Donald Sutherland in those days you would have easily understood why that was so. I had the privilege of being in his home many times and of making trips through his constituency, and especially in that section of western Ontario where he was well known, so I have personal knowledge of the very high esteem in which he was held by people of all political affiliations.

Both the late senators Donnelly and White had been members of this house for many years when I came here, in 1935. Both gave me a very warm welcome, and as the years passed a deep and lasting friendship developed. Senator Donnelly, as we all know, was an able and effective speaker, and although in late years his speeches were usually short and always extemporaneous, they were nevertheless well worth listening to. I think that was because he possessed unusually good common sense and good judgment. I know that as a newcomer to this house I many times asked his advice, and I was always glad when I followed it.

Of Senator White I can only say, with my leader, that he was beloved by us all—beloved for his kindly nature, his never failing good humour, his keen sense of humour and his faithfulness to duty. In this house we have many faithful members, but I do not think there is one more conscientious than Gerald White always was in the discharge of his duties. In his attendance here he rarely missed a day, and when he did it was for some absolutely unavoidable reason. In fact, he rarely missed an hour. He was here for prayers and he stayed until adjournment, practically every day of the session, and in that I think he possibly set an example to all of us. In common with those who sit with me here I can only say, very truly, that the Senate will be a poorer place because of his passing.

I wish to join those who have preceded me in extending my deepest sympathy to the immediate families of all our late colleagues.

Hon. J. E. Sinclair: Honourable members of the Senate, I wish to associate myself with the two leaders and the other members who have spoken in extending sympathy to the families of our colleagues who have passed away since we last met here. I wish particularly to say a few words with reference to two of those colleagues.

I knew the late Senator Macdonald for many years. He was well known in the public life of his native province and he had a long public career. He was first elected to the legislature of his province in 1908, and was re-elected in 1911, at which time he was taken into the government as a minister without portfolio. In 1923 he was again re-elected, and was appointed Minister of Public Works and Highways. He left that office in 1925 when he was elected to the House of Commons for Kings County, a seat that he retained until 1935. From 1930 to 1935 he was minister without portfolio. He was summoned to the Senate in 1935 and continued as a member of this chamber until his death in November last.

In private life the late senator was a successful businessman, carrying on operations as a general merchant and shipper and exporter of farm produce. He always took a keen interest in community welfare.

I wish to join the leaders in this house and other senators in extending to his widow and seven children, who are left to mourn his passing, our sincere sympathy in their bereavement.

The late Senator Robinson was for only a few short years a member of this chamber. I knew him well before he came here; he was a man of many parts. During World War I he served in the ranks of the Canadian Expeditionary Force; he volunteered for service in the second World War, and went overseas. He was subsequently transferred to the Legion Services in London, where he remained until near the close of the war, when he was summoned to the Senate.

He took an active interest in the affairs of the Canadian Legion of the British Empire Service League, and usually attended its annual meetings.

In private life Senator Robinson was a successful businessman and silver fox rancher. In public life he was elected mayor of Summerside, his home town, in 1936, and in 1939 he went to the Prince Edward Island Legislature. He held his seat for the life of that legislature, and as he was serving overseas at the time the next election was held he did not stand for re-election. He was summoned to the Senate in 1945, and was highly respected by all those with whom he came in contact. I join the leaders in this house and other Senators in extending to his widow and near relatives our most sincere sympathy.

Hon. J. P. McIntyre: Honourable Senators, I should like to associate myself with the speakers who have preceded me in paying tribute to our departed colleagues, particularly those from my own province.

Senator John A. Macdonald, better known in Prince Edward Island as "Cardigan John", was the third senator bearing the name John A. Macdonald—the spelling only being different—to pass from this chamber since 1945. It may well have been that these three gentlemen were named after the great statesman Sir John A. Macdonald, Prime Minister of Canada after Confederation, for all three of them shared his political faith.

Senator Macdonald was in public life for over forty years. He was first elected to the Legislative Assembly of Prince Edward Island in 1908, and was re-elected in 1911 and 1923. He served as Minister of Public Works and Highways in that province from 1923 to 1925, when he resigned his portfolio to become a candidate for election to the House of Commons. In that year he was elected to the federal house, and was re-elected in 1926 and 1930. He was a minister without portfolio in the Bennett Government from 1930 until 1935, when he was appointed to the Senate.

I had known the late senator for many years; we were born within a few miles of each other. He was truly a Christian gentleman. We occupied the office of Minister of Public Works and Highways in our native province, under different governments, and eventually came together in this chamber. The late senator was an outstanding person, honest and upright in every respect. I could cite many incidents to illustrate his honour, noble character and high ideals. For instance, during the first World War he built a number of ships which later were sunk at sea, leaving him in debt for almost $100,000. He never gave up, but through ability and hard work he paid back every dollar. I believe I express the sentiments of all members of this chamber when I extend sincere sympathy to the bereaved wife and family.

Less than two weeks ago our province was called upon to mourn the passing of another member of this chamber, Senator Brewer Robinson, an outstanding figure politically and otherwise.

During the first Great War Senator Robinson joined the Second Battery of the Canadian Heavy Artillery in his home town of Summerside, and went overseas in 1915. He was with his outfit in France until the end of the war. On his return to his native province he engaged in the bakery business and in fox ranching, and was most successful in both ventures. Shortly after the outbreak of the second World War Senator Robinson went overseas with the Canadian Legion War Services, and was deputy head of that organization in London when he was notified of his appointment to this chamber.

My association with Senator Robinson was most cordial and pleasant, and I looked upon him as a personal friend. He was twice mayor of his native town, Summerside; and during his regime most of the paved streets were laid and many other civic improvements were made. No braver or stouter heart ever beat within a human breast than that of the late Senator Robinson.

I wish at this time to extend my sincere sympathy to his widow.

Hon. J. M. Dessureault: Honourable Senators, I should like to join with other honourable senators in paying tribute to the memories of the members of this chamber who have passed away since the last session.

While I had great admiration for them all, coming as I do from the province of Quebec, I desire especially to extend my sympathy to the family of the late Senator Charles P. Beaubien. His passing has removed from the scene of his activities a man who worked faithfully and well, not only for the benefit of his province but for the whole of Canada.

Highly regarded, of charming personality, trusted and well liked, Senator Beaubien was honoured by being appointed to many important positions in both the economic and political spheres of our country. He had a long business and political career. Though not sharing his political faith, I always had great

admiration for him. For many years I was closely associated with him as a director of Banque Canadienne Nationale, and always found him to be a perfect gentleman, of sound judgment and trustworthy. I was happy to count him as one of my personal friends, and therefore wish to join in extending to his family my most sincere sympathy.

Hon. L. M. Gouin: Honourable Senators, of all our colleagues who have recently departed from this life, it was with the late Charles P. Beaubien that I was most closely associated. I first became acquainted with him when I was still quite young. He was then one of the most prominent members of the Conservative party in my province, and it will readily be appreciated that he represented the best traditions of French-Canadian Conservatism.

The late senator was a successful lawyer, an eloquent speaker, and will long be remembered for his excellent addresses in both English and French. He did great honour to Canada both at home and abroad. It was my privilege frequently to work under him as chairman of various charitable and patriotic organizations. Whenever one appealed to the kind heart of the Honourable Charles Beaubien one was always sure to receive a favourable response. I listened again and again to his admirable speeches. I became associated with him in the fields of education as well as of business. As remarked by our leaders on both sides of the house and other honourable gentlemen who have spoken, Senator Beaubien was indeed *un parfait gentilhomme*—a perfect gentleman of the old school. He was one of the most distinguished representatives of our French-speaking aristocracy.

But in addition to his distinction of manner, and his literary merits, he possessed above all his qualities a deep sense, a religious sense so to speak, of duty. I believe that devotion was the best characteristic of our late colleague. For many months, to my personal knowledge, he attended all his corporation meetings, although he was very ill, quite pale, and evidently suffering very much. The last time I saw him, his concern was still to be of service to others.

With a kindly smile he inquired about their health, their needs, and so on. He gave us indeed an admirable example of self-sacrifice, and for this he shall never be forgotten by his many friends of all classes, of all races, of all religious denominations, and of all political creeds. To his family I express my most sincere sympathy.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, February 2, 1949

The Senate met at 3 p.m., the Acting Speaker (Hon. A. B. Copp) in the Chair.

Prayers and routine proceedings.

COMMITTEE OF SELECTION

CONSIDERATION OF REPORT

Hon. Wishart McL. Robertson presented and moved consideration of the report of the Committee of Selection, nominating members to the several Standing Committees for the present session.

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

He said: I shall not read the names of the members selected to serve, but for the benefit of those senators who are not familiar with the procedure of the house, I would say that it is customary for the Committee of Selection to go over the list of senators and to make whatever changes are necessary. Some vacancies are left on the committees for new senators whose special knowledge and ability qualifies them to serve. If honourable senators will make their wishes known in this respect, changes will be made where it is reasonably within our power to make them. It would greatly simplify matters if by unanimous consent honourable senators would accept the report as prepared, in order that it may make the necessary motions with respect to the appointment of the committees, and for further procedure.

Hon. Mr. Haig: I might inform the house that no senator has been struck off a committee of which he was a member last year. The only change in the personnel of existing committees is that some honourable senators have been nominated to other committees.

Hon. Mr. Sinclair: New members have been nominated?

Hon. Mr. Haig: Other nominations have been made, but any honourable senator who was on a committee last year is on it this year.

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

Hon. Mr. Robertson: Now.

The Hon. the Acting Speaker: Is it the pleasure of the Senate to adopt the motion?

Some Hon. Senators: Carried.

The motion was agreed to.

STANDING COMMITTEES

MOTION OF APPOINTMENT

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

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

Right Hon. Mr. Mackenzie: Honourable senators, may I ask a question, for information only? I understand that the specific purpose and terms of reference of the Committee on Internal Economy have been established and that at the present time we are asking that, if necessary, certain powers be given when required.

Hon. Mr. Robertson: Precisely.

Hon. Mr. Roebuck: Honourable senators, I hardly like what has happened in the way of procedure. I have every confidence in the committee that made the report; there is not one chance in a thousand that I would wish to make any change; but I do not like the suggestion: "Open your mouth and shut your eyes and I will give you something to make you wise". I think it would be better to place these names on the record before we vote for them, unless there is some special reason why these committees should be appointed today.

Right Hon. Mr. Mackenzie: I am in complete agreement with the hourable senator from Toronto-Trinity (Hon. Mr. Roebuck). I, too, have the utmost confidence in the personnel of the Committee of Selection. I do think, however, that it is somewhat hasty procedure to submit such a report to this honourable body, whose members at the moment, except for the honourable leader opposite (Hon. Mr. Haig), have not seen any of these names, and to ask them to accept it without having at least the ordinary democratic opportunity of expressing an opinion in regard to anyone selected, if it is thought necessary. Personally, I do not think I will find it necessary.

The Hon. the Acting Speaker: Honourable senators, the motion has already been adopted, and any remarks made in relation to it are out of order.

Hon. Mr. Robertson: I may say that with the exception of one committee there is really no urgency. I have followed the practice of the last two years, and the rule that no member be removed from the Committee of Selection who served on it the preceding year has been observed. We have added some new members and have left vacancies for others. This in itself is not an argument for haste, the chief reason for which is that after the committee personnel has been selected it is customary to nominate the various chairmen and, if the nominations are concurred in, to set up the committees. The only committee as to which there is a little urgency—how much, I will leave it to a member of that committee to say—is the Divorce committee, which has to organize and set dates for its hearings in advance so that sufficient notice may be given to witnesses and others who will be appearing before it. The honourable gentleman from Rosetown (Hon. Mr. Aseltine), who has been chairman of the committee for some years, is in a better position to give information about it than I am.

As to the point made by His Honour the Speaker that the motion has already been carried, I may say that I am quite willing to have the motion considered simply as a notice, and to proceed with it after it has been printed in our records. Of course I should not want to do this if, thereby, the Divorce Committee would be handicapped.

Hon. Mr. Aseltine: Honourable senators, I think it is very important that the Divorce Committee should have its organization meeting tomorrow. There is a great deal of work to be done, and we want to get it started as soon as possible.

The Hon. the Acting Speaker: In my opinion this discussion is entirely out of order. The honourable leader of the government (Hon. Mr. Robertson) moved the consideration of the report, and the motion was adopted. He then moved another motion, and it is that motion which is now before the house.

Hon. Mr. Robertson: I had intended to ask the house to adjourn tomorrow until next week, but I am afraid that if we were to adjourn before the Divorce committee held its organization meeting the committee would be placed under a handicap.

The Hon. the Acting Speaker: Order. I insist that the discussion on the motion for consideration of the report is out of order. That motion was carried. If the honourable leader wishes, he can withdraw his motion, but there can be no further discussion of it.

Right Hon. Mr. Mackenzie: Honourable senators, I rose not on a question of order but simply to express concurrence in the views expressed by the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck). However, if I am going to be met with any suggestion of the iron fist, I will speak on the question of order, even if I have to fight for it alone. I say that this procedure is not proper, and in that regard I agree with the honourable gentleman from Toronto-Trinity. I quite understand the position in relation to the Divorce committee—

The Hon. the Acting Speaker: Order!

Right Hon. Mr. Mackenzie: I am speaking to a question of privilege, sir, on which I am quite in order.

The Hon. the Acting Speaker: I still insist that there cannot be any further discussion on the motion for consideration of the report of the committee of selection.

Right Hon. Mr. Mackenzie: Then, Mr. Speaker, I—

The Hon. the Acting Speaker: I rule that we cannot have any further discussion on that motion. There is another motion before the house.

Right Hon. Mr. Mackenzie: Mr. Speaker, I rise to a question of privilege, to which any member can speak at any time. It is a privilege affecting the rights of honourable members of this house, and regardless of any point of order I am entitled to speak to a question of privilege.

The Hon. the Acting Speaker: I insist that the right honourable gentleman is out of order in attempting to discuss the motion that has been adopted. If he is not satisfied with that ruling he may appeal to the house.

Right Hon. Mr. Mackenzie: Well, sir, seeing that—

The Hon. the Acting Speaker: Order! I have ruled that you cannot discuss that motion any further.

Right Hon. Mr. Mackenzie: Mr. Speaker, I can rise to a question of privilege in this house, and I insist on my right to do so.

The Hon. the Acting Speaker: Will the right honourable gentleman please state his question of privilege?

Right Hon. Mr. Mackenzie: My question of privilege is that I had no notice of this list of members of committees, and that the motion was carried without consideration by honourable members of this house. I say that is something which affects the privilege of every single member of the Senate, in that we are entitled to know what business is to come up for our consideration before we are asked to dispose of it. I think that in all fairness the motion should be with-

drawn until tomorrow at least, in order that we may have time to look it over, and I do not think this delay would seriously handicap the Divorce Committee.

I do not think that committee would be held up for long. Before the motion is passed I should like to move, if it meets with the wishes of the house, that the motion with respect to committee personnel be now rescinded and be dealt with tomorrow.

The Hon. the Acting Speaker: If it is the wish of the house to rescind the motion and delete it from the record, that is quite all right, but as it stands the matter cannot be discussed further.

Hon. Mr. Robertson: With the permission of the house, may I say a few words?

As leader of the government in this house, responsibility for this procedure is largely mine. In making my motion I explained what had happened previously and asked for unanimous consent. The objections put forward have impressed me, and I should like to say that if ever again I have the opportunity of presenting such a report, I will take the precaution to see that proper notice is given. In this instance a delay would make some difference to the functioning of the committees.

Hon. Mr. Roebuck: I withdraw my objection.

Right Hon. Mr. Mackenzie: I also withdraw my objection.

Hon. Mr. Roebuck: I do not wish to cause any trouble, but I believe the objections are salutary, and that the present procedure should not form a precedent.

The Hon. the Acting Speaker: Honourable senators, is it your pleasure to pass the motion?

The motion was agreed to.

JOINT COMMITTEE ON LIBRARY

MESSAGE TO THE COMMONS

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

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

The motion was agreed to.

JOINT COMMITTEE ON PRINTING

MESSAGE TO THE COMMONS

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

That a message be sent to the House of Commons by one of the clerks at the table, to inform that house that the Honourable Senators Beaubien, Blais, Bouffard, Comeau, Davies, Dennis, Euler, Fallis, Lacasse, Moraud, Mullins, Nicol, St. Pere, Sinclair, Stevenson, Turgeon and Wood, have been appointed a committee to superintend the printing of the Senate during the present session, and to act on behalf of the Senate as members of a Joint Committee of both houses on the subject of the Printing of Parliament.

The motion was agreed to.

JOINT COMMITTEE ON RESTAURANT

MESSAGE TO THE COMMONS

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

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

The motion was agreed to.

WRECK OF THE "MARIE BRENDA"

GALLANT ACTION OF NOVA SCOTIA SEAMEN

On the Orders of the Day:

Hon. J. J. Kinley: Before the Orders of the Day are called, I ask for the privilege of bringing to the attention of the house the heroic action of two Nova Scotia seamen. The account appearing in the Ottawa *Journal* of this morning reads as follows:

Captain Saves Seven from Doomed Vessel

Antigonish, N.S., Feb. 1.—(CP)—While the thundering sea battered his tiny dragger to splinters, Capt. Land Lace swam ashore through the breakers today with a line that enabled his seven crew members to reach shore safely.

The Lunenburg, N.S. dragger *Marie Brenda*, 29 tons, dragged her anchors last night and piled aground on a ledge off Isaac's Harbor lighthouse, about 15 miles north of this northern Nova Scotia town.

A blinding snowstorm struck Nova Scotia last night. The dragger anchored off Isaac's Harbor for shelter. But driven by the gale and breaking sea, she dragged her anchors and ran ashore on a ledge near the lighthouse.

Battering seas ground the wooden hull against the jagged rocks, punching holes in the bottom.

The captain and crew clung to the wreck throughout the night. Huge seas broke over the tiny craft and the men lashed themselves to the masts.

Early today seaman Joseph Fry attempted unsuccessfully to swim ashore with a line. Helpless in the rough water, he was pulled back on board.

Then the 22-year-old Capt. Lace tied the line to his waist and dived overboard. After a terrific struggle he reached shore.

He fastened the line to a tree. Meanwhile, the *Marie Brenda* was breaking up fast under the merciless pounding.

One at a time, the men caught the line and passed along it through the sea to safety. It took two hours for the remaining six men to reach shore.

Brought to hospital here suffering from frost-bitten feet were Gordon Acker, the cook, and Fry.

Capt. Lace, Bo'sn Samuel Corkum, Engineer Leo Mersey and Seamen William Savory, Morton Nowe and Gordon Lace, the skipper's brother, still were at the lighthouse tonight.

Acker was near exhaustion when he reached shore.

At the lighthouse the men found refuge from the sea. First aid was given by Mrs. Harry Giffin, a nurse from Isaac's Harbor.

A dispatch from Isaac's Harbor Lighthouse reads as follows:

"Not much to it," was Capt. Land Lace's comment tonight on his rescue of seven crew members from the shipwrecked dragger, *Marie Brenda*.

In a few, quiet words, he told The Canadian Press how he plunged into the boiling surf off this pin-point of land on Nova Scotia's north shore to carry a line to land. In turn, each of his seven seamen passed down the line and through the sea to safety.

"I didn't have any time to feel anything," said the 22-year-old skipper. "I just dived in and swam."

Except for the two men in hospital with frost-bite and the captain, the rest of the crew will return to their south shore port of Lunenburg tomorrow, he said. Capt. Lace would stay for a day or two to see how his two other men made out.

Tonight six of the crew sat in the lighthouse and "just thawed out".

Honourable senators, any of us who know the hazards of the eastern Nova Scotia coast in the winter realize that these men were in grave peril; and I am sure that we who come from Nova Scotia feel proud of the successful and heroic action of these two seamen, and the successful achievement of the captain, who is usually known in Lunenburg as "Buddy" Lace. Captain Lace is the youngest skipper in the fishing fleet, being only twenty-two years old, and bears a high reputation. His father and mother and their family are good neighbours of both Senator Duff and myself in Lunenburg, and naturally we feel admiration and gratitude to these young seamen for having saved the lives of seven of our Nova Scotia fishermen. I am sure Captain Lace's father and mother, besides feeling a legitimate pride, are very grateful, because a younger brother is amongst those who were saved. In every fisherman's cottage along the coast there will be rejoicing because sorrow and bereavement have been prevented from entering the homes of so many of our families.

The *Marie Brenda* is seventy tons gross tonnage. The newspaper report gives the tonnage as twenty-nine, but that figure is net, and has reference to carrying capacity. These boats have considerable power equipment and are operating on the deep sea. This young captain has done exceptionally well in his vocation, and now he has achieved a great service to his fellow men, worthy of the highest traditions of the sea. Nova Scotia and, I am sure, the whole country is proud of him.

Some hon. Senators: Hear, hear.

SPEECH FROM THE THRONE

ADDRESS IN REPLY

The Senate proceeded to the consideration of His Excellency the Governor General's Speech at the opening of the fifth session of the Twentieth Parliament of Canada.

Hon. Thomas Farquhar moved:

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

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

May it Please Your Excellency:

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

He said:

Honourable senators, before proceeding with my remarks incidental to the motion before us, I wish to associate myself with the honourable leader of the government in this house and other honourable senators in expressing deep sympathy to the Honourable the Speaker of the Senate in the sad bereavement he has recently sustained.

I should like to thank the honourable leader of the government here for the honour he has accorded to myself and to the constituency of Algoma East in asking me to move the Address in reply to the Speech from the Throne delivered by His Excellency the Governor General, Viscount Alexander, the esteemed representative of our beloved King.

To the Governor General we tender our thanks for his gracious speech. We are not unmindful of the honour accorded to Canada by his felicitous discharge of the duties of his high office.

Through him, we extend to our beloved King and the Royal Family, our most loyal obedience and esteem. We are most conscious and proud of the unalterable love and respect which they command from the Canadian people, whose prayers are for the complete return to health of His Gracious Majesty.

As a nation we have been saddened by the news of his affliction, as we have rejoiced at the most happy event of the birth of a royal grandson and future heir to the throne, and the health and well-being of Princess Elizabeth, Duchess of Edinburgh.

Since the last session of this parliament our esteemed Prime Minister, Right Honourable W. L. Mackenzie King, has retired from the position he has filled for so long a period with unparalleled distinction and ability. During his long term of office Canada has reached a high place among the nations of the world, a proud place which we shall continue to hold under the leadership of our new Prime Minister, Right Honourable Louis St. Laurent, whose ability and entire fitness for his position are well known to the members of this honourable house.

On behalf of myself and my newly-appointed colleagues, I should like to thank the honourable leader of the government here, and the other honourable members of both sides of this house, for the sincere welcome which has been extended to us on taking our seats in this chamber. I am not entirely a stranger here. I have many pleasant recollections of association with many of you in the House of Commons, where for many years I had the honour of representing the constituency of Algoma East, whose people are now represented by the Honourable L. B. Pearson, Minister of External Affairs.

The riding of Algoma East, including Manitoulin Island, is largely rural, and its people engage in the diverse interests usually connected with such a district. They are most progressive and employ the most modern methods in mixed farming, lumbering, pulp and paper production, mining and fishing. Perhaps to the rest of Canada and many parts of the United States our district is best known for its tourist attractions, and the fisherman and sightseer are catered to with efficiency. Much of our farm land is well adapted for the raising of beef cattle, and in the marketing of this product we have the distinction of holding the largest annual one-day sale of beef cattle in Canada. This is carried out by a well-organized farmers' co-operative society. Similarly, many tons of high-grade turkeys are marketed each fall and are in great demand for their high quality.

As I said before, Algoma East has been represented since the by-election of last October by the Honourable Lester B. Pearson. When he was invited by the Liberal executive to contest the riding, the Conservative party, recognizing the outstanding abilities which so well fitted him for his diplomatic post, decided not to oppose him. He therefore received their full support, and the result was an overwhelming victory over his C.C.F. and Social Credit opponents. Immediately following his election Mr. Pearson left for Paris to join the Canadian delegation to the third session of the General Assembly of the United Nations. Upon his arrival he took over the responsibilities of leader of the delegation from the Honourable Mr. Chevrier, who was required by his duties as Minister of Transport to return to Canada.

Mr. Pearson was already well known in United Nations circles, having played a prominent role in various international organizations such as UNRRA. He was a member of the Canadian delegation at San Francisco when the Charter was drafted, and he subsequently represented Canada at a number of United Nations meetings. He also played a leading part in the discussions of many important international questions, and when he entered the government he had already built for himself, as a Canadian civil servant, an enviable reputation in international affairs. This reputation was based on his personal qualities of judgment and sincerity. To the people of many countries he represented the typical Canadian: friendly and informal, but practical and workmanlike. He therefore had many friends from other countries to welcome him when he took his place in Paris in his new role as Secretary of State for External Affairs for Canada. Mr. Pearson played a leading part in the proceedings of the Assembly when decisions were made on a number of political questions, such as Berlin, Palestine, Greece and Korea.

Since returning to this country Mr. Pearson has been able to give a full account of what took place. I think his report on the United Nations is characteristically Canadian. It is sober and realistic. It does not minimize the difficulties and limitations of that organization, but at the same time it makes clear the fact that our membership in the United Nations serves basic Canadian interests.

Valuable as were Mr. Pearson's special duties as a civil servant, I am sure that we all realize that in his new position as Minister of External Affairs his ability will have wider scope and be of greater value to Canada. Mr. Pearson already has made a host of friends in Algoma East, and they are duly appreciative of the honour of being represented by him. He has already made it clear that their interests will not be neglected because of the pressure of his broader activities.

I now wish to speak briefly about the tariff concessions obtained at Geneva in 1947, which were referred to in the Speech from the Throne. Although Canada has a comparatively small population, it is today the

third largest trading nation in the world. For that reason no country in the world should be more interested than this one in freeing the channels of trade. On a per capita basis our trade is three times that of the United States and twice that of the United Kingdom. Through the Geneva agreement the world has made its greatest advance towards freer trade. As a result of that agreement twenty different countries are now benefiting by the removal of restrictions on world trade; but in Canada, the United States, and many other countries, certain statutory restrictions prevent the implementing of the Geneva agreement to its fullest extent. I am very glad to see that the Speech from the Throne mentions the further freeing of trade, and I hope that legislation will be passed this session to enable Canada to do her full part in implementing this agreement. As I have said, twenty countries are now benefiting by it, and three additional countries which have recently signed it will shortly be participating in its benefits.

The different countries of the world have been resorting to many devices to shut out foreign goods.

First: In addition to import duties, it has been a common practice to impose so-called excise taxes on imported goods—taxes which are not imposed on domestic goods. These taxes, although they are often called excise taxes, are really additions to the tariff. Under the Geneva agreement no country may tax imports from any other contracting party more heavily than its own domestic products of the same kind. Under this clause we get rid of a most objectionable tariff feature.

Second: It has been a common practice in the past to impose heavy dumping duties on imported goods. Under the agreement dumping duties on imports are not to be levied unless the imports in question threaten material injury to an established domestic industry. In any event, dumping duties must not exceed the difference between the export price and the domestic fair market price. This, too, is a step in the right direction.

Third: A practice has grown up of subsidizing certain industries in a country. Under the agreement, subsidies must not be paid to assist a domestic industry and thus give its products an advantage over imported competing goods.

Fourth: In the past government officials have been authorized to place fictitious values on goods being imported, and in this way swell the tariff receipts. This practice is prohibited by the agreement, and properly so.

Some Hon. Senators: Hear, hear.

Hon. Mr. Farquhar: Fifth: Another indirect practice that has prevailed has been the imposition of excessive charges for clearing imports. The agreement does away with this practice, and the only charges that can be imposed for clearing imports are the actual costs of the services.

Sixth: In the past some countries have found it to their advantage to restrict or prohibit imports. This agreement provides that if they restrict or prohibit imports in future they must not discriminate in favour of or against any country which is a party to the agreement.

Seventh: In rare cases subsidies may be paid on the export of goods, but such subsidies must be very limited.

The agreement affects some 45,000 tariff items, covering three fourths of Canada's trade. It is permissible to lower the tariff on any of these items, but not to raise it at any time.

It will be seen that we are getting rid of a number of vicious practices that have prevailed among the countries which are parties to the agreement. In terms of 1939 trade, 90 per cent of our exports to the United States will benefit. Almost all restrictions against Canadian goods entering the United States have been substantially reduced. Large tariff reductions will apply to those products entering the United States which compete with products of the same kind. The agreement will be a great boost to Canadian farmers and businessmen. It is to be hoped that the necessary legislation will be enacted at an early date.

In the Speech from the Throne the following paragraph occurs:

> A bill will be introduced to broaden the scope of the Family Allowances Act, as a further instalment of the policy of the government to provide a national standard of social security and human welfare designed to assure the greatest possible measure of social justice for all Canadians.

The government has not yet announced the details of its plans for the improvement of the family allowances measure, which has been described as the outstanding single piece of social legislation enacted in our time. In Canada 3,830,000 children in 1,707,000 families are now receiving $270 million a year. This expenditure is making a tremendous contribution towards equalizing opportunity for Canada's children.

The government, in emphasizing its intention of assuring the greatest possible measure of social justice in this country, is building on the solid foundations laid by Liberal administrations over the past twenty-two years. The Right Honourable W. L. Mackenzie King will be remembered as one of the great men in Canadian history, but no part of his

record merits as much praise as the contribution made by Liberal governments under his leadership towards widening the dominion of social justice in Canada. The first great measure was the Old Age Pensions Act of 1927, which now brings $70 million of federal moneys each year to the assistance of 260,000 aged and blind Canadians. The next great Liberal measure was unemployment insurance, which now has a national reserve of $514 million as a bulwark against temporary unemployment and gives protection to more than half of Canada's working force.

The third great measure, family allowances, followed in 1944. This was widely acclaimed, because it was the first such piece of legislation for child welfare in the western hemisphere. This was followed by the veterans' charter, under which more than $1,500 million has been expended on re-establishment credits, on university and vocational training, rehabilitation, pensions, medical treatment and settlement on the land.

The latest great measure for social security was the national health program announced last May by Mr. Mackenzie King, which brings $30 million or more each year to the support of provincial health programs. Very substantial annual grants are made available for public health and the training of health workers; for crippled children and the fight against tuberculosis, venereal disease, mental illness and cancer.

The measures mentioned do not exhaust the list of Liberal achievements. The simple fact is that every major federal measure for social security has been passed by a Liberal administration, and all have been sponsored by the former Prime Minister. The spirit of Mackenzie King still lives on in his successor and his associates, and Mr. King's great social objectives are still the goals of the Liberal party. The Right Honourable Louis St. Laurent, speaking to the nation by radio on December 16, said:

> We will not be satisfied until, in co-operation with the provincial governments, we have achieved a national standard of social security and human welfare which assures the greatest possible measure of social justice to all Canadians.

It is not possible yet to predict what legislation will be brought down by the present government and future Liberal governments, but the lesson taught by the past is that they will not be negligent in meeting developing needs with bold and farsighted measures. The best outline for future action is contained in the platform adopted at the National Liberal Convention in August last:

> The Liberal party stands for a national program of social security in collaboration with federal and provincial governments with the following objectives: useful employment for all who are willing to work, standards of nutrition and housing adequate to ensure the health of the whole population; social insurance against privation resulting from unemployment, from disability, from ill health and from old age.
>
> The program will include a steady extension of insurance on a contributory basis to protect all citizens from a temporary loss of income and to provide for their old age; health insurance covering medical, dental, surgical and hospital health services on a contributory basis; more equal care and opportunity for all children through family allowances; and pensions for the blind.

I have referred to the subjects mentioned in the Speech from the Throne which to me appear most important, but these do not by any means exhaust the future program, which refers to many other questions of grave importance to the progress and welfare of our nation.

In closing, may I say that while we in this honourable house review with pride the achievements of the Liberal government, we also look forward to taking part in the future in extending those policies which will make for the prosperity and well-being of the Canadian nation.

Some Hon. Senators: Hear, hear.

(Translation):

Hon. Joseph Willie Comeau: Honourable senators, it is indeed a great honour for me to second the motion so aptly presented by the previous speaker (Hon. Thomas Farquhar).

It is the first time in the history of Canada that this honour has been conferred upon a French-speaking Acadian from Nova Scotia; and I wish to thank the leader of the government for having afforded me this honour. I am conscious of the fact, however, that this choice, which honours me personally, honours all the Acadians of Nova Scotia, and even all the Acadians of the Maritime provinces.

I think he also wishted to pay tribute to Canada's pioneers, as the first Frenchmen came from France to found Port-Royal, now known under the name of Annapolis.

It was the first colony founded in Canada. We Acadians, have always retained the name given it by our ancestors, and to this day we call it Port-Royal.

These first settlers must have been very clever as they have chosen for their settlement the most beautiful site in the country.

You have in Canada various organizations and numerous societies; but we have the oldest one in Canada the Société de l'Ordre du Bon Temps, which dates back to the very foundation of Acadia.

(Text):

I was saying in French that my ancestors must have been most intelligent people, because they selected Nova Scotia, the finest province in Canada, to settle in.

I have a few notes before me, but I do not intend to make a speech. I only wish to take this opportunity to make a few remarks on behalf of my province and the people I have the honour to represent. The Speech from the Throne will no doubt be debated at some length, but I wish at this time to bring to the attention of the government and the people of this country the needs of those engaged in the fishing industry in Nova Scotia.

Hon. Mr. Duff: Hear, hear.

Hon. Mr. Comeau: The honourable senator from Queen's-Lunenburg (Hon. Mr. Kinley) has just brought to your attention a heroic rescue at sea, as described in the morning press. At the risk of using an unparliamentary expression, I would say that he stole part of my speech. But I am pleased that he referred to the article, because it draws attention to the terrific difficulties with which the fishermen of Nova Scotia must contend. Perhaps the honourable senators from Ontario, part of Quebec and the western provinces do not all appreciate the problems of the fishermen in the Maritime provinces. I commend the government for the wise regulations adopted to assist the fishing industry in the Maritimes and in other parts of Canada. Provision has been recently made for the grading of fish products before they leave the plant. This is a protection to the consumer, and it helps the fish dealer who is attempting to put a good product on the market.

In certain parts of the south shore of the province of Nova Scotia there are natural harbours. That statement applies, for instance, to the counties represented by my honourable friends the leader of the government (Hon. Mr. Robertson) and the honourable senator from Queen's-Lunenburg (Hon. Mr. Kinley). But the shoreline of the county which for a few years I have had the honour to represent is very bleak. We are greatly handicapped through having no natural harbours, and some of our breakwaters are falling to pieces. During the war our fishermen were told, and properly so, that every dollar was needed to buy ammunition, to build vessels, and to supply the needs of the boys in the army, the navy and the air force, and that nothing could be done by way of public works. But now the war is over, and I must tell the leader of the government in this house that the people of my district expect immediate action. I have already tackled our representative in the other place, the honourable member for Shelburne-Yarmouth-Clare, and I am sure that he will help me to obtain relief for these people. Breakwaters will serve not only our fishermen but our shipbuilding plants, of which we have a few along that shore, because if they have no breakwater, they are greatly handicapped when they launch a vessel. For instance, at Meteghan river, where there is a shipbuilding plant which employs quite a number of men, the breakwater is all gone, and I fear that if something is not done in the very near future the shipyard itself will be washed away by the sea.

I am sure all of us favour the decision of the United States and Canada, of which we have read in the press, to co-operate in the defence of North America.

It is the fervent hope of the people of the Maritimes that the reciprocity which we might have had in 1911 will be accorded us in the near future. It would in part solve our problems. Last year a sardine cannery, the first to be established in Nova Scotia, was started near my home. Unfortunately the enterprise is greatly handicapped by lack of suitable wharf accommodation. In the Bay of Fundy and in St. Mary Bay the tides are extremely high; and sometimes at low tide, because the breakwater is broken down, and gravel is piled up five of six feet high, creating a wall, the sardine boats have to wait five or six hours for high tide before they can go over it. As honourable senators know, the sooner sardines are put in cans after they come out of the fish traps or the wires the more palatable they are, because any kind of fish—unlike whisky—does not improve with age.

In the present state of world affairs, we have reason to be thankful and proud that we are Canadians; and I want to say right here that the French Acadians whom I have the honour to represent are as good and loyal citizens as any in Canada, and esteem it a privilege to live in this country.

If I may be permitted, I will give you part of the life history of our forefathers. I shall refer to the history of my ancestors, because one of them left a diary of his life, which I possess. My ancestors on my father's side came from St. Malo, France, in 1604, among the first Acadians: I do not know much about what happened to their descendants. My grandfather on my mother's side came to Canada through another channel. Around 1812, when, as you know, England and France were at war, my great-grandfather, whose name was Francois Lambert Bourneuf, left his birth-place, Cherbourg—where the Allies landed during the last war—bound for Santos, South America, in a merchant marine vessel called *La Furieuse*. On the return trip his ship encountered an English fleet south of Newfoundland. In the resulting engagement they lost seventeen of their men, and my great-grandfather got a bullet through his leg. Three other men were taken prisoners with him, brought to Halifax, and put in jail at Melvile island, on the North West Arm.

After three years they were put to work on Prospect highway, close to Halifax. As a man of ambition who had been in captivity for three years, my great-grandfather wanted to get his liberty if he possibly could. While he was working on the highway he saw a small boat off the shore, so he and his three companions took the boat and went out to sea, hoping to meet some American vessel which would take them to the United States. As you know, France and the United States were on good terms at the time. But after eight or nine days, having covered about fifty miles, and being without provisions or water, they had to land at Port Hebert, in Shelburne, the county of my honourable friend the leader of the government. It happened that the first house to which they went for provisions was occupied by the head of the local militia, so they were at once apprehended again and put in jail in Shelburne. But I must add, to the credit of the people of Shelburne, that after these men had been in jail for five or six weeks the local people began to visit them and brought them all kinds of good things. They even circulated a petition, which was sent to the government at Halifax, to release these men from prison so they could make their homes in Shelburne. But before the petition could reach the Governor, an order was despatched to Shelburne with a cutter to take these men back to Halifax. They were taken aboard ship that evening, but it happened to be a windy night and the vessel could not set sail. Well, my grandfather had taken the precaution to carry two bottles of rum with him aboard the cutter, and later when the guards were patrolling the deck he invited them below for a drink. After they had fallen to sleep he jumped to the wharf and made his way across Nova Scotia, landing among the French people at East Pubnico. There he was hired to teach school for the enormous salary of eight dollars a month. In my parish at Church Point there lived a priest from Paris, Father Sigogne. He was the only padre for miles around. Well, in the following spring my grandfather walked the seventy-five miles to my parish and took the oath of allegiance before Father Sigogne, who for the convenience of the people also acted as a justice of the peace. While in my parish my grandfather was again hired to teach school, but this time at ten dollars a month. He was only teaching a short time, however, when he bought a small schooner and started to trade between St. John and the French ports along St. Mary Bay. He then turned to shipbuilding, and built seventeen large schooners. In 1843 Nova Scotia was divided into five districts. Then another change was made, dividing the province into counties. Digby county was one of them, and three members were appointed to represent it: one for the French municipality of Clare, one for the municipality of Digby and one for the county at large. The same Francois Bourneuf ran for the County of Digby at large, and a brother of my grandfather ran for the municipality of Clare. They were both elected and went to Halifax, where with Joseph Howe they fought for responsible government, which was obtained during that period.

Some Hon. Senators: Hear, hear.

Hon. Mr. Comeau: I have not tried to show that my ancestors were men of distinction, but, because we in Nova Scotia were the first to obtain responsible government, I wanted to outline part of our history.

I do not claim that the French were the only great people produced in Nova Scotia, and I shall name some of the prominent men of that province: the Honourable Joseph Howe, Sir Charles Tupper, Sir John Thompson, the Honourable W. S. Fielding, the Honourable Robert Borden and the Honourable George Murray. And there are many others I could mention.

Honourable senators, I should like to join with the preceding speaker—perhaps I should have done so when I began—in offering to His Honour the Speaker my sympathy in his bereavement.

In conclusion I wish to let my friends know, wherever they may be in Nova Scotia, that I am ready to serve them in the Senate of Canada just as I did for forty-two years in the Nova Scotia Legislature. Thank you.

Some Hon. Senators: Hear, hear.

Hon. Mr. Haig: Honourable senators, I do not intend to speak this afternoon; but I should like to congratulate the mover (Hon. Mr. Farquhar) and the seconder (Hon. Mr. Comeau) of the Address in reply to the Speech from the Throne. I was a little prejudiced in favour of the seconder. I have known him about two days longer than the mover, and I might say that he improves on acquaintance.

I intend to speak tomorrow, when I shall refer to certain matters they have mentioned. I do not intend to follow the line taken by either the mover or the seconder, for I have not the honour of coming from a constituency that has a long history, although Manitoba was settled by Lord Selkirk a good many years ago.

I move the adjournment of the debate.

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

The Senate adjourned until tomorrow at 3 p.m.

APPENDIX

Report of Committee of Selection

Wednesday, February 2, 1949

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

Joint Committee on the Library

The Honourable the Speaker, the Honourable Senators Aseltine, Aylesworth, Sir Allen, Blais, David, Fallis, Gershaw, Gouin, Jones, Lambert, Leger, MacLennan, McDonald, Vien and Wilson. (15)

Joint Committee on Printing

The Honourable Senators Beaubien, Blais, Bouffard, Comeau, Davies, Dennis, Euler, Fallis, Lacasse, Moraud, Mullins, Nicol, St-Père, Sinclair, Stevenson, Turgeon and Wood. (17)

Joint Committee on the Restaurant

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

Standing Orders

The Honourable Senators Beaubien, Bishop, Bouchard, Duff, DuTremblay, Hayden, Horner, Howden, Hurtubise, Jones, McLean, St-Père and Wood. (13)

Banking and Commerce

The Honourable Senators Aseltine, Aylesworth, Sir Allen, Ballantyne, Beaubien, Beauregard, Buchanan, Burchill, Campbell, Copp, Crerar, Daigle, David, Dessureault, Duff, Euler, Fallis, Farris, Gershaw, Gouin, Haig, Hardy, Hayden, Horner, Howard, Hugessen, Jones, Kinley, Lambert, Leger, Mackenzie, Marcotte, McGuire, McKeen, McLean, Moraud, Murdock, Nicol, Paterson, Quinn, Raymond, Robertson, Sinclair, Vien and Wilson. (44)

Transport and Communications

The Honourable Senators Ballantyne, Beaubien, Bishop, Blais, Bourque, Calder, Campbell, Copp, Daigle, Davis, Dennis, Dessureault, Duff, Duffus, Fafard, Farris, Gouin, Haig, Hardy, Hayden, Horner, Howard, Hugessen, Hushion, Jones, Kinley, Lacasse, Lambert, Leger, Lesage, MacLennan, Marcotte, McGuire, McKeen, Moraud, Murdock, Paterson, Quinn, Raymond, Robertson, Sinclair, Stevenson, Veniot and Vien. (44)

Miscellaneous Private Bills

The Honourable Senators Aylesworth, Sir Allen, Beaubien, Beauregard, Bouffard, David, Duff, Duffus, Dupuis, Euler, Fafard, Fallis, Farris, Ferland, Hayden, Horner, Howard, Howden, Hugessen, Hushion, Lambert, Leger, MacLennan, McDonald, McIntyre, Mullins, Nicol, Paquet, Quinn, Roebuck and Taylor. (30)

Internal Economy and Contingent Accounts

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

External Relations

The Honourable Senators Aylesworth, Sir Allen, Beaubien, Buchanan, Calder, Copp, Crerar, David, Dennis, Fafard, Farquhar, Farris, Gouin, Haig, Hardy, Hayden, Howard, Hugessen, Lambert, Leger, Mackenzie, Marcotte, McGuire, McIntyre, McLean, Nicol, Robertson, Taylor, Turgeon, Vaillancourt, Veniot and Vien. (31)

Finance

The Honourable Senators Aseltine, Ballantyne, Beauregard, Bouchard, Buchanan, Burchill, Calder, Campbell, Copp, Crerar, Davies, Duff, DuTremblay, Fafard, Farquhar, Farris, Ferland, Fogo, Haig, Hayden, Howard, Howden, Hugessen, Hurtubise, Hushion, Lacasse, Lambert, Leger, Lesage, McDonald, McIntyre, McLean, Moraud, Paterson, Pirie, Robertson, Roebuck, Sinclair, Taylor, Turgeon, Vaillancourt, Veniot and Vien. (43)

Tourist Traffic

The Honourable Senators Bishop, Bouchard, Buchanan, Crerar, Daigle, Davies, Dennis, Duffus, Dupuis, DuTremblay, Gershaw, Horner, Mackenzie, McDonald, McKeen, McLean, Murdock, Paquet, Pirie, Roebuck, Ross and St-Père. (22).

Debates and Reporting

The Honourable Senators Aseltine, Beauregard, Bishop, DuTremblay, Fallis, Ferland, Lacasse and St-Pére. (8).

Divorce

The Honourable Senators Aseltine, Copp, Euler, Gershaw, Haig, Horner, Howard, Howden, Kinley, Ross, Sinclair, Stevenson and Taylor. (13).

Natural Resources

The Honourable Senators Aseltine, Beaubien, Bouffard, Burchill, Comeau, Crerar, Davies, Dessureault, Duffus, Dupuis, Farquhar, Ferland, Haig, Hayden, Horner, Hurtubise, Jones, Kinley, Lesage, Mackenzie, McDonald, McIntyre, McKeen, McLean, Nicol, Paterson, Pirie, Raymond, Robertson, Ross, Sinclair, Stevenson, Taylor, Turgeon, Vaillancourt and Wood. (36).

Immigration and Labour

The Honourable Senators Aseltine, Blais, Bouchard, Bourque, Buchanan, Burchill, Calder, Campbell, Crerar, David, Davis, Dupuis, Euler, Ferland, Fogo, Haig, Hardy, Horner, Hushion, Lesage, Mackenzie, McIntyre, Murdock, Pirie, Robertson, Roebuck, Taylor, Turgeon, Vaillancourt, Veniot and Wilson. (31).

Canadian Trade Relations

The Honourable Senators Ballantyne, Bishop, Blais, Buchanan, Burchill, Calder, Campbell, Crerar, Daigle, Davies, Dennis, Dessureault, Duffus, Euler, Fogo, Gouin, Haig, Howard, Hushion, Jones, Kinley, MacLennan, McKeen, McLean, Moraud, Nicol, Paterson, Pirie, Robertson, Turgeon and Vaillancourt. (31).

Public Health and Welfare

The Honourable Senators Blais, Bouchard, Bouffard, Bourque, Burchill, Comeau, David, Davis, Dupuis, Fallis, Farris, Ferland, Gershaw, Haig, Howden, Hurtubise, Jones, Lacasse, Leger, Lesage, McGuire, McIntyre, McKeen, Paquet, Robertson, Roebuck, Veniot and Wilson. (28).

Civil Service Administration

The Honourable Senators Bishop, Bouchard, Calder, Copp, Davies, Dupuis, Fafard, Gouin, Hurtubise, Kinley, Marcotte, Pirie, Quinn, Roebuck, Taylor, Turgeon and Wilson. (17).

Public Buildings and Grounds

The Honourable Senators Dessureault, Fafard, Fallis, Haig, Lambert, Lesage, McGuire, Paterson, Quinn, Robertson, Sinclair and Wilson. (12).

All which is respectfully submitted.

W. McL. Robertson,
Chairman.

THE SENATE

Thursday, February 3, 1949

The Senate met at 3 p.m., the Acting Speaker (Hon. A. B. Copp) in the Chair.

Prayers and routine proceedings.

REPORT OF COMMITTEE OF SELECTION

PRIVILEGE

Right Hon. Mr. Mackenzie: Honourable senators, I rise to a very important question of privilege affecting the printing of parliament. According to our Minutes of Proceedings, the report of the Committee of Selection presented yesterday was read. I think that all honourable senators who were present yesterday know that it was not.

Further, the statement was made in debate that yesterday's procedure was the same as that followed in 1947 and 1948. I have taken the liberty of checking *Hansard* of 1947 and the *Journals of the Senate* of 1948, and I find that in each year the report was properly presented to the house. I mention this purely by way of correction.

CULLERS BILL

FIRST READING

Hon. Mr. Robertson presented Bill G, an Act to repeal the Cullers Act.

The Bill was read the first time.

BUSINESS OF THE SENATE

On the Orders of the Day:

Hon. Wishart McL. Robertson: Honourable senators, a few days ago I had the privilege of introducing five bills which now appear on the order paper for second reading. The honourable members who have been asked to explain these bills are prepared to do so today. However, when these items are called I intend to ask that they stand, so that we may proceed this afternoon with the debate on the Address in Reply to the Speech from the Throne. When we adjourn today I intend to ask that the house stand adjourned until Tuesday evening next. At that time we can proceed with this legislation, and perhaps continue the debate on the Address. The members of this house possess considerable talent and experience, and I am sure it would be to our own benefit and that of the country at large if as many honourable members as possible were to express their viewpoints in this debate.

SPEECH FROM THE THRONE

ADDRESS IN REPLY

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

Hon. John T. Haig: Honourable members, I said a word or two yesterday by way of compliment to the mover and seconder of the address, so I need not refer to them again. I join with honourable senators who have voiced a feeling of concern, which all Canadians share, at His Majesty's illness, and hope for his speedy recovery. It was some relief from the bad news to learn as we did with delight, that a Prince Royal was born to the heir presumptive, the Princess Elizabeth, and that he had been named "Charlie". To people of Scottish descent that name must be very pleasing indeed.

I shall not discuss the Speech from the Throne item by item, as has sometimes been done, because nearly all of it will be the subject of legislation, and in my judgment it is better to wait until the various bills are available and we know what the legislation actually contains.

The year 1948 was an important one for Canada, especially in the matter of the leadership of our two great parties. The former Prime Minister, Right Honourable W. L. Mackenzie King, resigned, and a great Liberal convention was held in Ottawa at which his successor was elected. I personally was pleased that the Liberals met in convention for this purpose. It is not very often that conventions are held by the Liberal party. They say that these meetings are unnecessary, that when they get a leader they keep him for a very long time. Well, I am not so sure that this will be the fortune of the present leader. Apart from that consideration, I suggest that a national convention is an excellent way of hearing from the "grass roots" people all over the country. I had the pleasure while at my summer home of listening to a good part of the broadcasting of the Liberal convention, and when, according to the reporter, a gentleman in the back of the hall asked "What about tax reduction?" I said to myself "How familiar that sounds to anyone who is in a position of leadership."

I am glad that the Right Honourable Mr. St. Laurent has been selected to lead the Liberal party. If that party should be returned to power at the coming election, which I expect will be held on June 27, 1949—

Hon. Mr. Howard: Oh, it is fixed!

Hon. Mr. Haig: —it will have an able leader. It is good for Canada that a man of his calibre has been chosen as the head of a great national party.

During July of last year the Honourable Mr. Bracken resigned the leadership of the Progressive Conservative party. A representative convention met at Ottawa on the last day of September and the two first days of October and elected the Honourable George Drew, formerly Premier of Ontario, to be the party leader. There is no doubt that the policies of the Progressive Conservative party will be so presented that the people of this country will understand what the issues are. In my province we recently had the pleasure of a visit by Mr. Drew and his wife. While I do not want to bring women into this discussion—

Hon. Mr. Euler: Why not?

Hon. Mr. Haig: —although there are in this house two distinguished members of the sex —Mr. Drew, in the parlance of the street, will have to "go some" if he is going to be as popular in Canada as his wife appears to be.

The choice of Mr. Drew as leader of our party gives representation to the newer element, the younger men. Mr. Drew was one of the generation that fought in the first world war. He represents also one of the two greatest provinces of Canada, and is necessarily interested, therefore, in the development of Canada as a whole, for no province other than Quebec has anywhere near the stake in Canadian prosperity that Ontario has. Ontario has provided the leader of the Progressive Conservative party, and Quebec has furnished the Liberal party with its leader. So whichever of these two men is elected—for it is unlikely that the C.C.F. or the Social Credit party will materially affect the result—the government of the country will be controlled by a man and a party who are determined to give the best administration possible.

An interesting example of the relation of cause and effect occurred at the Progressive Conservative convention. The program which had been adopted contained not only general principles, but a reference to items of what may be called administrative policy, such as the building of a highway across Canada. When Mr. Drew rose to accept the leadership it is doubtful whether he intended to single out this particular item, because it was only one of the planks in the party platform, but it apparently suited his purpose by way of illustration. Within a very few days a clamour arose right across Canada for action in this matter. The federal minister from Alberta, Hon. Mr. MacKinnon, suggested that a conference be called to deal with the subject. Canada, beyond question, needs a trans-Canadian highway, for its own people, quite apart from tourist traffic.

I am doubtful whether the highway will ever be properly built unless the work is carried on under the supervision of engineers appointed jointly by the dominion and the provinces, and there is a reasonable contribution by the dominion, although the road will be under the control of the provinces. Only in this way will it be possible to cover great sections of territory where little immediate local use can be anticipated. I have particularly in mind certain mountain districts of British Columbia, wide stretches of Ontario, and considerable parts of the Maritime provinces. I am pleased that the Minister of Mines and Resources has called a meeting to deal with this subject, and I am sure that, no matter which party is in power, the Canadian government will push forward the enterprise more energetically in the future than it has done hitherto.

My honourable friend the chairman of the Committee on Tourist Traffic (Hon. Mr. Buchanan) will remind me, no doubt, that this road is urgently needed for the development of our tourist traffic. The main difficulty is the enormous cost. The province of Manitoba is building a highway from the United States boundary to Winnipeg, and although the distance is only about sixty-five miles, it is costing millions of dollars and will involve a great deal of work. The chief purpose, of course, is to enable tourists from the United States to travel into our country along the kind of road to which they are accustomed. These people are tourist-minded, but they will visit us only if we provide suitable facilities to enable them to come here.

I notice that abolition of appeals to the Privy Council is foreshadowed in the Speech from the Throne. Without dealing at any length with that topic, I would say this. I do not think appeals to the Privy Council should be abolished when they affect differences of opinion between the provinces and the dominion. Once in a while there is a clash of jurisdiction between a province and the dominion, and in such cases I think it would be better that the appeal be sent to the Privy Council. I shall not deal further with this matter until the legislation is before us.

I am sorry that my honourable friend from Toronto (Hon. Mr. Hayden) is not here, because I want to discuss rent control. There is 76 per cent less occupancy of houses today than there was in 1938. This is due to rent control, and nothing else. Let me give you an example of why rent control cannot succeed. My wife and I occupy a house which consists of six bedrooms, two bathrooms, and various other facilities. We cannot rent part

of the house, because, if we let people come under our roof we do not know that we can ever get them out again.

Hon. Mr. Duff: That is the trouble.

Hon. Mr. Haig: Hundreds of Canadians are in the same position. I also own a smaller house that we should like to move into because it is better suited to our needs. It is true that when our six children were with us we required all the space we had, but we do not need so much accommodation now, I cannot get into this smaller house, even though the present tenant pays only the same rent as he paid in 1938.

Hon. Mr. Farris: Why do the provinces not take this over?

Hon. Mr. Haig: If I were in the Manitoba Legislature, I would certainly advocate that they take it over. It is my judgment that the provinces do not want the trouble or the annoyance.

Hon. Mr. Euler: Would my honourable friend make clearer what he means by 76 per cent less occupancy?

Hon. Mr. Haig: Less occupancy per house.

Hon. Mr. Roebuck: Less overcrowding.

Hon. Mr. Haig: When children move out of a house their parents cannot sell it because they cannot get suitable accommodation. This means that two or three people continue to live in a house that will accomodate as many as seven or eight.

Hon. Mr. Roebuck: There has been doubling up.

Hon. Mr. Haig: No, there has not been doubling up. Here is the situation. If my money is invested in housing, the government does not permit me any increase in revenue from my property; but if my money is invested in stocks or bonds or such things, I am allowed a profit if it is forthcoming. I cannot make a profit from renting my house, and my tenant has to pay only half what he should pay. That is one reason why our housing problem is so acute.

I may be a prophet of gloom, but I venture to say that five years from now the houses which the government are building will cause a scandal in this country. It would shake you to see the way they are building them in my town—and the situation is the same all over Canada. Let us examine the housing situation in France, which is one of the worst in Europe today. In France rent controls were imposed right after the last war, and they are still in effect. Austria also tried rent controls, and the government of that country had to build block after block of apartment buildings in an attempt to accommodate their people. Our present housing administrator is adopting all sorts of schemes in order to beat the law. Do not misunderstand me; I mean exactly what I say. Here is one scheme: If I own an apartment block, as soon as a suite of rooms becomes vacant, it is freed from the controls. Here is another scheme: If two years ago, I gave a lease on a house, that house comes out from under the controls as soon as the lease expires. I am not sure of my dates, but I do not think that any house built after January 1, 1947, is under rent control. The administrator is trying to sneak out. I use that term advisedly. It would be far better to say that the provinces have the right to legislate in the matter of rent controls. In my judgment it comes under the heading of property and civil rights. I think only one province has made inquiries; the others have not come forward and said that they wanted the job.

Hon. Mr. Farris: They all refused it last week.

Hon. Mr. Haig: One made inquiries, three or four said nothing, and the rest are waiting.

Hon. Mr. Howard: To use your term, the provinces sneaked out of the job.

Hon. Mr. Haig: They never got into it, because they were too foxy for that. I cannot understand why the Minister of Finance, who has the reputation of being an able administrator, ever got into rent controls, or why, having got into it, he has not got out. After the end of the war the controls should have been taken off, and the provinces been left to re-impose them if they saw fit.

I now wish to refer to electrical power. I am one of those who believe that we should have a Dominion-Provincial Commission to investigate and make a full report on all our potential power resources. We in Manitoba never thought for one moment that our province would ever be short of power, but the experts now predict that if the increase in the use of electricity during the next five years continues at the same rate as in the past five years—even if all our present power sites are developed—by 1952 we shall be looking elsewhere for electricity.

An Hon. Senator: If we can get it.

Hon. Mr. Haig: You are quite right. The situation in Ontario is not good, and in British Columbia it is very acute. The Lord did not send rain, but lots of snow and ice, and there is no water in the dams or power sites. The power question has been a troublesome one for many years in Quebec and the Maritime provinces. I understand that investigations

are now being made into the feasibility of harnessing the tidal waters of the Bay of Fundy. Ontario and Quebec both have a great deal of natural power, and the development of the St. Lawrence River as a power site is a possibility. There are objections to the development of the river as a ship canal or seaway. I can understand such objections, especially from the Maritime Provinces, because they have the seaports of Saint John and Halifax. There may be objections also from Quebec City and Montreal, as the development of the seaway would permit ships to go straight through to Port Arthur and Fort William or Windsor and Toronto and so on. But why anybody should object to the development of power on the St. Lawrence river I cannot understand. The great state of New York is agreeable to it, and I think that if the United States Senate does not pass the waterways bill this year the Canadian government should assist Ontario and Quebec in the development of power.

Hon. Mr. Euler: The United States President is not agreeable.

Hon. Mr. Haig: That may be, but he is only one person, and congress has overridden him quite often in the past few years. The trouble is that our government have not done anything to force the issue. They would like to have the seaway opened up first, and that is understandable; but I do not think it can be done, because I believe the resistance of the Atlantic states to it will be too strong. Therefore I say our government should do everything they can to bring about power development on the St. Lawrence.

We all know what a convenience electricity is in city homes. But what about rural homes and farms? We are extending the use of electrical power in the rural parts of Manitoba, and farmer after farmer has said to me: "Haig, you have no idea what a boon electrical power is to us. It makes it possible for us to have practically all the conveniences that you have in the city." Honourable senators, I think that the government of Canada should not only do everything they can to have power developed on the St. Lawrence, but should examine the electrical power situation from one end of the country to the other. On the Nelson river in Manitoba, one of the world's large power sites, we have 8 million horsepower. We are absolutely sure of a constant supply of water there, because in addition to drainage from our own province and the Rocky Mountains we get drainage from the great watershed of Minnesota. The difficulty is that the Nelson river is 400 miles away from the city of Winnipeg.

Now I wish to say something about foreign exchange. About two years ago I was doubtful as to what should be done in this matter, but I confess to the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) that a speech of his started me thinking, and the more I thought the more I was convinced that world trade will never revive until there is stability in exchange.

Hon. Mr. Duff: Hear, hear.

Hon. Mr. Haig: I do not see how it is possible for me as a Canadian to sell wheat to somebody in Europe so long as the money that I am paid for it turns out to be worth only about half as much as I thought it was worth. The theories of Bank of Canada officials and other experts may sound fine, but I do not believe they will work. No country needs world trade as badly as Canada does, but we cannot develop world trade until we establish a firm system of exchange. I noticed in this morning's papers that the government have warned exporters not to send goods to the Argentine, and have told them that if they do make shipments they will run the risk of not getting any money for them.

Hon. Mr. Horner: I think it was the Governor of the Bank of Canada who said that.

Hon. Mr. Haig: Yes, but the government are taking the responsibility for it. That is an illustration of the kind of thing I am talking about. In November my honourable friend from Essex (Hon. Mr. Lacasse) and I, with two members from the House of Commons, had the pleasure of being delegates from Canada to the Parliamentary Conference at Bermuda. I shall make further reference to this later. We discussed defence, economics, the future of parliamentary government and so on, but one topic that we always came back to was the need for some basis of exchange for trade between countries, though we never could agree what that basis should be. As I said before, I do not think any other country needs world trade as badly as Canada does. It is the very lifeblood of the part of Canada that I know best —Manitoba, Saskatchewan and Alberta—for I should think that 90 per cent of our income out there is derived from foreign trade in wheat, cattle and other farm products, and in fish and timber. It is true that our exports of timber are not as large as those of British Columbia or the Maritimes, but they are considerable. For all our exports we depend upon getting paid with something that we can use to buy other goods. The government have been congratulating themselves that in the month of September last we sold to the United States so many million dollars worth

of goods more than in September of the previous year. Well, that is easily explained by the lifting of the embargo on cattle. There is no question that the moment the embargo was lifted our receipts of American exchange increased greatly.

The government have guaranteed flax growers $4 a bushel, and there is a huge amount at present stored in western Canada —I am not sure, but I think it is 12 million bushels. It cannot be sold anywhere. It cannot be sold in Europe, for instance, because under the United States regulations it is declared to be a surplus product in European countries. The government are also guaranteeing a price for potatoes down in New Brunswick and Prince Edward Island; and a price for apples—but perhaps I had better not mention that.

Hon. Mr. Howden: Is there not still a demand for flax for boiled oil?

Hon. Mr. Haig: There is, but the flax already in storage is sufficient to meet the demand. This flax will be disposed of in time, perhaps some years from now. In the meantime our farmers are not going to grow flax, unless the government give them another guarantee, and I do not think the government will be foolish enough to do that.

These problems and many others facing us today could be solved if we had a better system of exchange. The sooner exchange becomes a commodity that can be freely sold in the world, the better it will be for Canada. What surprises me is that a Liberal government would defend such controls as we have in Canada. When the Foreign Exchange Control bill first came before us, I advocated that the control be limited to a certain number of years. I see that we are to have another bill before us this session. Well, if I were a C.C.F. supporter I would ask for nothing better than the present Foreign Exchange Control bill in perpetuity, for if that party got into office it would need nothing more than that measure to enable it to stay in office and run this country. That is a bad situation. I am against the control, and I intend to oppose the bill to the best of my ability when it comes before us this year.

I was going to say something about the income tax, but I see that Liberal members of another place are talking about that. It seems to me strange that they should do so. I thought that last year the Minister of Finance would make a really serious amendment to the income tax law. By their own admission the government have collected this year at least $600 million more than they need to carry on the business of the country. That was a straight tax on the people, and it helped to create inflation and increase the cost of living. After all, the men and women who work for wages and salaries are not so much concerned about the amount of their incomes as shown on their employers' books, as the amount of money that he or she receives after the tax is paid. What is important to them is not how much they make, but how much they take home. For instance, when the bookkeeper in my office prepares the cheques for the payroll, she first has to deduct the income tax.

Hon. Mr. Kinley: The employees cannot spend that amount, so it does not add to the inflationary trend.

Hon. Mr. Haig: No. There is the difficulty. The members of my staff say to me: "Mr. Haig, you used to pay me $80 a month. Since then my salary has been increased to $100 a month, but I still receive only $80. I want $125 a month so that I will have $100 net". That problem is common to every business. My office acts for certain unions, and those people make no bones about the reason for their demands. They say that back in 1938 they received a net take-home pay of $100 a month, and that now, regardless of what we say about taxes, unemployment insurance and all the other things, they have to have that amount in their pockets. The fact that certain members of my staff who once received $100 a month now demand $125, means that I have to charge more for my services—and that is exactly what I do, and so does everybody else.

Hon. Mr. Horner: Are there no controls on your charges?

Hon. Mr. Haig: In theory there are, but not in practice.

I believe that the first thing that must be done is to increase the income tax exemptions for both single and married people. In addition to that, a general cut of income tax across the board would benefit everybody. People in every occupation who receive a certain amount of money want to invest a portion of it in the enterprises of this country. There is no country in the world that is in greater need of enterprise-capital than Canada. We have great natural resources and unlimited possibilities; Canadians are energetic people, and if they can invest their earnings in industries at home the difficulties resulting from borrowing abroad for this purpose will be avoided. I think our income tax rates are out of proportion to what a young country like Canada can afford.

I come now to the main subject of my remarks. About three years ago I stood up in this house and said that I thought the British wheat agreement was the rottenest deal I had ever heard of. If I could use stronger language about that agreement today I would, but without being unparliamentary

that is as far as I can go. I asked for and received certain information from the head of the Manitoba Wheat Board and the president of the Winnipeg Grain Exchange, and I have also gathered data from other sources. I am reluctant to take the time of the house to read from an article which I have before me, but it is essential to illustrate my point. I refer to the report of the Searle Grain Company Limited, dated October 20, 1948. It says:

"The Western Producer", which is the house organ of the Saskatchewan Wheat Pool, in a recent issue publishes an editorial entitled "Supply and Demand." The editorial quotes a farmer, who points out that "wheat was about $3.30 per bushel on January 15, 1948, and thirty days later it was about $2.40." Then this farmer correspondent goes on to ask: "Was there a greater supply of wheat on February 15 than there was on January 15, and if so, where did the wheat come from? I am certain we farmers did not produce a new crop in the meantime."

"The Western Producer" informs this correspondent that this severe drop in price was not warranted by the factors of supply and demand, but is a flagrant example of how price is made by hordes of uninformed gamblers and manipulators.

Now here is the answer and I challenge anyone to dispute it.

Surely "The Western Producer" could have given this correspondent the correct explanation as to why the price of wheat fell so drastically between January 15 and February 15, for the explanation has over and over again been widely published in Europe, in the United States and in Canada. It is simply that during the latter part of January the news suddenly burst over the world that much greater supplies of wheat would soon be available; that the Argentine and Australia were harvesting larger crops than expected; that Europe was expected to harvest some 450 million bushels more than in the previous year; that Burma had an exceptionally large rice crop; and that the American winter wheat crop, on a large acreage, was coming through in good shape. All of which meant that the supply of wheat in the world would certainly be far greater than in the previous year.

Hon. Mr. Beaubien: Who made that statement?

Hon. Mr. Haig: I have already said that I was reading from the report of the Searle Grain Company, written by Mr. Strange.

To back up this statement, the Canadian Wheat Board cut prices to the foreign trade so that the manipulators could not manipulate the price of their wheat. They were not on a margin and they could not be sold out, yet they had to bring the price down.

I could quote from many articles along this line, but I wish only to refer to some information from Mr. McIvor. He informs me that in 1946-47 the Western provinces produced 393 million bushels, and delivered to the elevators 335 million bushels; that the production for 1947-48—that is the crop before last—was 315 million bushels, of which 243 million bushels were marketed. I presume some producers, like my honourable friend to my left (Hon. Mr. Horner), still have considerable grain in their granaries. In 1948-49 the Western provinces produced 363 million bushels, and delivered 300 million bushels to the elevators. Of the 1946-47 crop, 169 million bushels were shipped to Great Britain at $1.55 a bushel. Mr. McIvor tells me that some of the wheat was shipped as flour, and that to make up for the bran and shorts taken out they had to ship an extra nine million bushels. I presume he is correct in that explanation. Exports to other countries amounted to 77·8 million bushels, and 75 million bushels went to the domestic market. I intend to deal only with the 1946-47 crop, and see where it takes us.

Hon. Mr. Beaubien: What did the producers get for the 77 million bushels sold to other countries?

Hon. Mr. Haig: I will deal with that point.

Hon. Mr. Beaubien: Have you got the figures there?

Hon. Mr. Haig: From the 1946 crop, the Canadian government sold to Great Britain 169 million bushels at $1.55; 75 million bushels were sold to the Canadian people at the same price, but the consumer paid only 78 cents, the difference being made up out of public funds, and the remaining 77·8 million bushels were sold on the world market at what is called the "weighed price." The price on the public market was at that time $3.00 or $3.25 a bushel, but the fairer way is to take the price throughout the year, which was $2.44¼ a bushel.

Hon. Mr. Aseltine: That was the average?

Hon. Mr. Haig: That was the average price on the 77·8 million bushels—$2.44¼ per bushel. But on the 169 million bushels 89 cents per bushel, or roughly $160 million, was lost to the farmers of Western Canada. It is true that Great Britain got the benefit of the reduced price, but Britain at the same time was buying Argentine wheat at $2.72 per bushel. On the sale of some 75 million bushels of Canadian wheat we took a loss of 99 cents a bushel, or about $74 million. For the balance the Board got the world price; and all the money that the pools have today is their extra receipts from that 78 million bushels which were sold to the world at large, plus what was left—which was very little—from the 1945-46 crop. The same general conditions applied the following year.

Hon. Mr. Beaubien: Do you contend that the British government would have bought our wheat if they had not got it at that price?

Hon. Mr. Haig: The world would have bought it. There is no question about that.

They were keen to buy it. They paid $2.44 right across the board. My honourable friend's statement is one that is frequently made, but for which there is not a grain of support.

Hon. Mr. Beaubien: I am not making a statement.

Hon. Mr. Haig: At the very time Britain was paying us $1.55 she was buying from the Argentine at $2.72. In 1946 our losses amounted to $236 million. But worse was to come. The next year the loss rose to $253 million. I will repeat, if you wish, the terms of the Canada-United Kingdom wheat agreement, to show that the British Government undertook to make an adjustment at the termination of the agreement.

It was provided that prices should be negotiated and settled not later than December of each of the years 1947 and 1948. It was also agreed that the United Kingdom "undertakes to pay such carrying and forwarding charges as may be mutually arranged". Further:

> In determining the prices for these two crop years, 1948-49 and 1949-50, the United Kingdom government will have regard to any difference between the prices paid under this agreement in the 1946-47 and 1947-48 crop years and the world prices for wheat in the 1946-47 and 1947-48 crop years.

Under the new agreement the price is $2, though today the world's market price is about $2.28. We are losing again. No consideration is had for the losses of 1946 and 1947. We have now accepted $2 flat. And they are not paying us cash; we are giving them the money to buy, and we shall never get it back.

Hon. Mr. Lambert: Does my honourable friend not think it would be only fair to say that at present all these arrangements are subject to a final accounting? The difference is still to be determined.

Hon. Mr. Haig: That is not what the agreement says.

Hon. Mr. Lambert: I know what is in my honourable friend's mind; but I am asking him if it would not be better to suggest that judgment in this matter be deferred until the time comes for the final accounting?

Hon. Mr. Haig: My honourable friend asked me practically the same question when the bill first came to this house, and we were told that when the 1948 or the 1949 crop agreement was negotiated the question would be considered. Now we have negotiated both, and this matter has not been considered. Great Britain has not got the money for any adjustment. She cannot make it. We are providing her with the money to buy our wheat this year, and everybody knows it, and everybody knows too that she will never pay it back. I have no criticism to make of Great Britain because of the position she is in; but what I have said, and what I repeat, is that the people of Canada should pay to the farmers of Western Canada at least $480 million which, by virtue of this agreement, they have stolen from the farmers of the three western provinces. That, and nothing less, is the cold hard fact.

Hon. Mr. Beaubien: My honourable friend claims that the farmers of Canada have been deprived of $480 million. May I ask my honourable friend where he gets his figures? Are they all from the Searle Grain Company?

Hon. Mr. Haig: No. Fortunately, as I thought my honourable friend would ask just that question, I wrote to the chairman of the Wheat Board and asked him for details of all the prices. I have them here, and from the calculations I have made I find that the losses for the two years amount to $500 million. I challenge anybody to prove the contrary.

Hon. Mr. Burchill: My honourable friend quoted the figures for 1946. Did he cite the figures for 1947?

Hon. Mr. Haig: They are higher. I can quote them if my honourable friend wishes to have them.

Hon. Mr. Burchill: I would like to know what you have calculated as being the world price for 1947.

Hon. Mr. Haig: The price in 1948 was $2.88¼.

Hon. Mr. Burchill: And in 1947?

Hon. Mr. Haig: For 1946-47 the price was $2.44. For 1947-48, which is really the 1947 crop, it was $2.88¼. These moneys are completely lost.

Hon. Mr. Sinclair: The honourable gentleman mentioned $500 million as the loss in two years. Does he include in that figure 99 cents per bushel on the 75,000,000 bushels which were used in Canada?

Hon. Mr. Haig: The Canadian people paid, by reason of the regulations, only $1.55 a bushel for their wheat in 1946-47, whereas they should have paid $2.44. That is a difference of 89 cents per bushel.

Hon. Mr. Aseltine: That is what the farmer lost.

Hon. Mr. Haig: Yes, the farmer lost that money.

Hon. Mr. Sinclair: Who got it?

Hon. Mr. Haig: You did, and anybody who bought bread.

Hon. Mr. Sinclair: That is part of the $500 million?

Hon. Mr. Haig: Certainly. I live in a city: why should I not pay a reasonable price for the wheat from which my bread is made? Why should the farmer out in the country pay for my bread? Will you, as a farmer, tell me why he should do it? One has as much right to go to your province and say, "Mr. Senator, I will not buy your potatoes for $1 a bushel for seed, I will pay only 50 cents, because Haig needs potatoes for seed in Manitoba and wishes to get them cheap."

Hon. Mr. Sinclair: I am not arguing the point; I am just asking how your figures are arrived at.

Hon. Mr. Haig: Well, I am telling you.

Hon. Mr. Beaubien: May I ask another question, because I am very much interested. The honourable senator claims that the farmers have lost $500 million on wheat. Is he basing his opinion on the assumption that there is no money in the hands of the Wheat Board today to be distributed to the farmers?

Hon. Mr. Haig: Having figured the amount which the Wheat Board sold on the world market, and the price they received, I say that the total money in their hands is $78 million. That is all there is. In the first year they paid $1.35 a bushel and they got $1.55; the difference of 20 cents per bushel is in their hands too, but it is the farmers' money. I have allowed for every cent that the farmer will now get or has ever got. The only item of which I am ignorant is what was left over in 1945, and I have no way of getting that information.

Hon. Mr. Beaubien: My honourable friend will admit that we do not know what the farmer is going to get when the final winding up of the contract takes place.

Hon. Mr. Haig: That has all been taken into account.

Hon. Mr. Beaubien: It would reduce his loss.

Hon. Mr. Haig: I have considered all that. On the 77·8 million bushels they sold to the world, the government granted the farmer only $1.35; but I took into account the value of that wheat—$2.44 in 1946 and $2.88 in 1947. I have covered all that. I know there is money in the pool to that extent. I know, as the commissioner says that they sold so many millions of bushels, but the whole thing boils down to this: The people ask me "Wasn't it a good thing to sell wheat to Britain for $1.55?" and I answer "Yes, certainly." But if the farmers of Manitoba, Saskatchewan and Alberta sell their wheat to the British people, why should the rest of us boast and say: "Didn't we do well by Great Britain?". We would be entitled to take the credit if we paid back to the farmers of Western Canada —and we know who they are, because the government has a record of every one of them—the losses they suffered. First, for the 75 million bushels sold to the people of Canada we should certainly pay what the wheat was worth, and second, we should pay the difference between $1.55 and $2.44 in 1946 and $1.55 and $2.88 in 1947.

Hon. Mr. Beaubien: May I ask the honourable senator another question? Would he explain to the house why organizations representing western Canadian wheat growers—pools and elevators—have endorsed these contracts?

Hon. Mr. Aseltine: They are the ones that told the government to do it.

Hon. Mr. Haig: Yes, and they listened too. I would not be speaking here today as I am if I did not believe that the farmer will wake up in about three or four months—

Hon. Mr. Beaubien: Who is going to wake him up?

Hon. Mr. Haig: He is waking up now. He is disturbed because the 1949-50 wheat contract does not take into account the losses he suffered in other years. Let me tell you that he is "hollering plenty". My honourable friends opposite would have laughed at me had I told them that the money the government was squandering in Digby-Annapolis-Kings would not bring them good returns. I did not think it would, and I do not think this will. I am persuaded that the farmers of western Canada will bitterly resent the blind alley into which Mr. Gardiner and his cohorts have led them through the years.

Hon. Mr. Beaubien: May I ask the honourable senator another question?

Hon. Mr. Haig: You have asked enough questions already. You had an opportunity to air this thing in Portage la Prairie, but the people did not listen to you; and you will have exactly the same experience next summer.

I had planned to say something more about the grain situation, but perhaps I have said enough. I want to apologize to the house for taking up so much time. With the exception of the members from the Prairie Provinces—I do not say this in an insulting manner—honourable senators do not understand the importance of this problem to our people. I will admit, of course, that I cannot become very enthusiastic about the potato situation in New Brunswick. Likewise, I do not understand the many details of the various problems affecting Ontario and Quebec, and I do not fully appreciate the difficulties encountered by the lumbermen of British Columbia. But I do know something about wheat, and

I realize how vital this problem is to our western people. My honourable friend from Medicine Hat (Hon. Mr. Gershaw) has talked about irrigation, and I entirely agree with him. But what is irrigation for?—largely to enable the cultivation of more grain.

Hon. Mr. Gershaw: And the raising of cattle.

Hon. Mr. Haig: Yes, but it is for the growing of grain too. Honourable senators, there is something wrong in Denmark if at a time such as this, when prices are good for the farmer, the government can say to him: "No, you cannot get the world price; you must take what we propose to give you".

There is one more topic that I wish to discuss before concluding. I was given the high honour of being one of four delegates sent by Canada to Bermuda last November. The other members were Mr. H. B. McCulloch, M.P. for Pictou, leader of the delegation; Mr. J. W. Burton, M.P. for Humboldt, Saskatchewan, and my honourable friend from Essex (Hon. Mr. Lacasse). I do not believe my distinguished and good friend from Essex paid as much attention to Mr. McCulloch or myself as he did to a certain person, but aside from that he was very helpful to us.

Some Hon. Senators: Oh, oh.

Hon. Mr. Euler: Explain.

Hon. Mr. Haig: I shall not say any more than that. The people of Bermuda proved to be most gracious hosts, and we had a most memorable time. The weather was absolutely perfect, and if ever there was a paradise on earth it is Bermuda in the month of November. The verandah of the Eagle's Nest Hotel was quite a spot with the moon shining on it.

The delegation from the United States was quite a distinguished one. Senator Alexander Wiley of Wisconsin, a Republican, was chairman of one of the delegations. Other members were Senator Bourke Hickenlooper of Iowa, Chairman of the Joint Committee on Atomic Energy; Senator Elbert Thomas of Utah, a Democrat, and Senator William Fulbright of Arkansas, who, incidentally, is a Rhodes Scholar. I never knew whether being a Rhodes Scholar would mean anything in the United States, but when we came to grips in private meetings and delegates from Canada and the United States were hitting the United Kingdom pretty hard, Senator Fulbright, remembering that he was a Rhodes Scholar, let us go just so far and then called a halt.

Hon. Mr. Farris: The President of the American Bar is also a Rhodes Scholar.

Hon. Mr. Haig: Then there was Senator-elect, Estes Kefauver of Tennessee, and two members from the House of Representatives, Talle of Iowa and Corbett of Pennsylvania. The British delegation consisted of four members of the Labour party and two opposition members. Australia had one delegate present, New Zealand two and South Africa one.

The conference was held for the purpose of discussing the international situation, with special reference to defence and economic affairs. The future of parliamentary government was discussed, but not too much, because we all agreed that it was the best form of government, as far as we knew, for the people of the world.

The meetings at the Parliamentary Conference were behind closed doors, and I must be careful not to go too far in what I say. But I can at least express my personal opinion that from what I heard at the meetings and from contact with the various delegates at the hotel and elsewhere, the American representatives were just as keen as we for freedom of speech, freedom of religion and democratic government. They were bitterly opposed to communism. I was delighted to see how keen they were to ensure that their strong opposition to communism was made clear to the United Kingdom delegates. I am not one of those who say that we are going to have war with Russia. I do not think there will be war if the Russians realize that Canada, Britain and the other nations of the commonwealth, together with the United States, France, Holland, Belgium and all the other free nations of the world, are united for the defence of freedom and the rights of man.

I was delighted with the whole of my experience at the Parliamentary Conference. One thing I was convinced of there is that Canada's reputation abroad is pretty high. I was prouder of being a Canadian after I got home than I was before I went. The Canadian delegates were given a very warm reception, and in general there was indicated a very friendly attitude towards this country. I will say further that we Canadians could speak in a language that the American delegates understood, and they would take more from us without getting ruffled than they would from anybody else. Aware of our responsibility, we all were very anxious not to overstep the mark by taking any stand that we were not sure would be fully supported by our people as a whole. I wish to state here that I never had more pleasant companions in my life than my three fellow delegates from Canada. Perhaps I may be permitted to tell one little story concerning two of us. The delegates were of course invited to many functions, and one of these

was a reception at Government House. Mr. Burton, the member for Humbolt in another place, asked me when the reception was to be held, and I said it was Tuesday at six. On that day we arrived at Government House, perhaps five minutes early, and to our surprise found that no other delegates were there. A page-boy happened to come along and I told him who we were, so he notified an *aide de camp*. When the *aide* came it was five minutes after six, and I remarked to him that we appeared to be a little early, although our invitation was for six o'clock. He said, "Yes, the reception is at six o'clock, but it is not until Friday evening."

Hon. Mr. Aseltine: Where had you been just before?

Hon. Mr. Haig: Anyway, we were at the reception on Friday, and among the persons whom I had the pleasure of meeting there were some of the officers of the British cruiser *Achilles*, which played such a wonderful part in the battle of the River Plate, when the German battle ship *Admiral Graf Spee* was chased into harbour. I feel that gatherings such as the Parliamentary Conference do much to foster friendship between nations, and certainly between representatives of various nations. I know that I personally benefitted by my attendance at the Bermuda conference, and I am sure that the honourable senator from Essex (Hon. Mr. Lacasse) and our fellow delegates from the House of Commons would say the same for themselves. There are some stories that I could tell about my honourable friend from Essex, but I promise to keep them a secret so long as he does not tell stories on me. Seriously, we had a profitable as well as a most pleasant time and were proud to be able to do what we could there on behalf of Canada.

Hon. Wishart McL. Robertson: Honourable senators, I was in London at the time of the news that the illness of His Majesty made it necessary to postpone the projected tour of the King and Queen to Australia and New Zealand; and I was in Glasgow when the birth of a son and heir to the Duke and Duchess of Edinburgh was announced. On each occasion I sensed the deep interest and concern of the people of the United Kingdom in the welfare of the Royal family. This interest and concern is shared by the people throughout the commonwealth, in whose hearts the Royal Family holds an intimate place, and I am sure we all concur in the sentiments so well expressed along this line by the honourable leader opposite.

I had intended to follow my honourable friend today in this debate, but if I carried out this plan I might not be able to do justice to some of the points that he has made; therefore, after dealing with one or two matters, I may ask permission of the house to adjourn the debate until next week.

I am sure we all listened with the greatest pleasure to the speech of the mover (Hon. Mr. Farquhar) and that of the seconder (Hon. Mr. Comeau) of the Address in reply to the Speech from the Throne. I heartily concur in their references to Mr. Mackenzie King, who for so long has occupied the position of leader of the Liberal party and Prime Minister. I heartily concur also in the remarks of the leader opposite (Hon. Mr. Haig) with respect to the new leaders of the Liberal and Conservative parties in Canada. Whatever difference of opinion there may be as to their respective policies, I am sure we all agree that Canada is very fortunate in having men of such high calibre occupying these prominent positions in our public life.

Hon. Mr. Haig: Hear, hear.

Hon. Mr. Robertson: The arguments of the mover of the Address (Hon. Mr. Farquhar) were exceedingly well marshalled and clearly stated. As a free trader I had much pleasure in listening to his plea for lower tariffs and freer trade. But I know he will understand me when I say that my heart was especially touched by the speech of the seconder, the honourable gentleman from Digby-Clare (Hon. Mr. Comeau), whose constituency is so close to my own. He has had a long experience in public life and he represents one of the minorities in Nova Scotia. As I listened to him it struck me that his presence here was further proof of the wisdom inherent in our system of parliamentary representation, of which system we have a good example in the Senate. For instance, there is no statute providing that any particular sections or any particular groups in Nova Scotia shall have senatorial representation, yet there is what amounts almost to an unwritten law that all the various sections and groups shall be represented, and in the result we have a very happy arrangement. When I was in Europe last year I realized how true it is that racial questions are at the base of a great deal of the bitterness and dissension troubling that continent and indeed much of the world, and I was more than ever impressed by the successful way in which we have handled our problem here. Canada has by common sense and fair dealing on the part of different groups that have been in power at various times, set an example to the world. The Senate was created for the protection of minorities, and is a living example of fair dealing. But there has rarely been a time since confederation when this house has had to exercise its power in that

respect. Because of the innate good judgment of the people of Canada, few minority problems have arisen.

I come from the province of Nova Scotia, as does my honourable friend from Digby-Clare (Hon. Mr. Comeau), and I agree that the relations between the majority and the minority there are of the happiest. I frequently visit the province of Quebec, and in Montreal where I have many friends, I have never heard of one person of English descent being discriminated against by the French majority. This too, is a living example of the good judgment and the common sense of the Canadian people in dealing with racial problems.

I am happy to welcome my honourable friend (Hon. Mr. Comeau) as a colleague from the province of Nova Scotia. I am a very much more recent arrival on the political scene than he is, with his forty-two years' experience. My experience is about half that. He has had a most creditable career. He, the honourable senator from Queens-Lunenburg (Hon. Mr. Kinley) and I were elected members of the legislature of our province in 1928.

I have one or two matters to which I should like to refer this afternoon, and then, with deference to my honourable friend the leader opposite (Hon. Mr. Haig), it is my intention to adjourn the debate until Tuesday evening next, when I shall deal more fully with some of his arguments.

In passing, I wish to point out that my friend is a little out in his chronology of events. He took considerable pride in saying that the subject of the trans-Canada highway was mentioned at the recent Conservative convention in Ottawa and that the Liberal party acted accordingly. I would point out to him that two months before the Conservatives met there was a very well-attended convention of the Liberal party in Ottawa and that the Conservative group paid us a compliment by copying in almost every detail, improving where it was possible, our convention scheme. I have no doubt that my friend's party read carefully the report of our convention proceedings, and then advocated the completion of the trans-Canada highway. I attach no great importance to the point, but one must remember that there is no difficulty in spending money as long as our finances make the spending possible.

The honourable leader opposite expressed himself most emphatically on what he believes to be an injustice to the wheat growers of the West because they were not allowed to sell their product at the highest market price. I am not prepared to answer fully my friend's arguments this afternoon, but it appears to me that the conditions he referred to do not apply only to wheat growing. For instance, the Dominion Steel and Coal Company of the province of Nova Scotia felt that the government had done them a great injustice in not permitting them to sell on the best markets at home and abroad. The company contended that they should be compensated by the Dominion Government for the difference between the price for which they sold their product and the price which they at one time could have sold it. I do not know that their claim would have involved the astronomical figures conjured up by my honourable friend as applying to wheat, but the principle is the same. I am quite sure that my friend from Northumberland (Hon. Mr. Burchill) would feel that the same argument could be made on behalf of the lumbering industry. The price of lumber both on the local and export markets has been constantly controlled. In fact, I scarcely know of a single article of commerce in this country that has not been affected by government regulation for the purpose of keeping down the price to the consumer. Should the party of my honourable friend opposite come into power, and should they attempt to settle the proposed claims of the Western farmers, they would find a great many other people making claims for losses sustained by reason of the fact that they could not take advantage of the best markets. It should also be pointed out that on the basis of need, the farmers in western Canada, in fact all the Canadian people, are better off today than when wheat was selling at $3 and $4 a bushel. Never in the history of our country has business been on a sounder basis than it is now.

My honourable friend has been consistent in his opposition to rental controls. I am not sure that he speaks for his party in that respect, but I have no doubt that if the claims of the wheat farmers were met, every landlord in the country would claim from the government the difference between the rent he was permitted to charge and that which, under the circumstances, he could have obtained. Such claims would be just as legitimate as those of the wheat farmers. My honourable friend from Peterborough (Hon. Mrs. Fallis) shakes her head, but I say that without controls the whole price structure would move up thirty or forty per cent. It must be remembered that we are all consumers and are all interested in what is best for the economy of Canada.

I do not think the argument advanced by the leader opposite on behalf of the western farmer is very sound. It may appeal to the people in his section of the country, but I would remind him of what happened during and after the first World War—the farmers received top-notch prices for wheat during the

war, but had to suffer all the evils that followed. Perhaps conditions during the recent World War and since have not been ideal; but we are today in a much sounder financial condition than we were after the first World War.

Hon. Mr. Horner: But we have gone in debt to an amount of $14 billion. Anybody can be prosperous while he is spending the mortgage money!

Hon. Mr. Robertson: I am going to deal with that point, my friend. I refer to the particular mentality of the Conservative party with respect to finance.

Hon. Mr. Haig: Would the honourable leader give us some figures on our debt? I should like to know the amount of Canada's debt at the commencement and at close of World War I and World War II.

Hon. Mr. Robertson: My honourable friend has asked a specific question which I am unable to answer. There is a point of view which may be expressed in this way: "Admitted that we are better off than we ever were; admitted that your business, my business, the business of the country as a whole is more flourishing than ever; still, we want more—more—more". This brings to mind what I read long ago in the history of ancient Rome. When the conquerors came back laden with the spoils of war, as the plunder was unloaded from the ships the populace cried out "Let us, too, share the spoils", and great was the turmoil when they got down to making a division.

On my last visit overseas I was in old London, and marked the terrific devastation that had taken place through the destruction of so many buildings. Unlike some honourable senators, I was unable to visit the refugee camps in Germany, but I visited the headquarters of various organizations and heard something of the tremendous problems incidental to the war, and learned to some extent how national economy in many countries had been upset for years to come. We do not realize how little we know of war and its destructive effects. Considering the wonderful progress which this country has made, there is to my mind something painful and unbecoming in the argument that though we have all this we should have more and more. I wonder whether, if an attempt were made to assess and compare the contributions of various elements of our population, and their share in the war, my honourable friend would advance his claim for the wheat farmers and for the landlords.

Hon. Mr. Haig: I did not mention landlords.

Hon. Mr. Robertson: My honourable friend did not, but I took his argument to mean that because of government action they had obtained less that they otherwise would have got. I suppose the honourable senator from Medicine Hat (Hon. Mr. Gershaw) could claim, on that basis, that had the market in the United States been opened earlier, the cattle raisers would have made more. Arguments of this kind raise very grave questions and, contemplating on one hand the views of my honourable friend, and on the other the devastation of the war, I am moved to think of the boy who gave his life in battle, or perhaps in the torture chamber, and of his comrade who will be the inmate of a hospital for the rest of his days. Then I ask myself how these sacrifices can be valued, how these contributions can be assessed. Nothing in this world is perfect. You cannot have a perfect equality of sacrifice in war, or an exact and equitable sharing of the spoils and rewards. But I say this to you, that in no other country has the administration of this most difficult problem been dealt with more equitably, so far as there can be anything equitable concerned with war, than in this country; and I suggest to my honourable friend that he has made better arguments than the one he presented this afternoon.

Hon. Mrs. Fallis: Would the honourable senator permit a question?

Hon. Mr. Robertson: Certainly.

Hon. Mrs. Fallis: In contending that the claim of the wheat farmers stands on the same basis as that of the lumberman or those engaged in any other business, is he not overlooking the fact that the growing of crops is in a rather different category; that the wheat farmer may have a good crop this year and be without a crop for the next five years; that while he may work hard and do everything in his power, he is at the mercy of the elements? For that reason, we think that when there is an opportunity for him to make a profit on his crop he should be permitted to do so. In some parts of Western Canada four or five years may go by before the farmer will get another crop; but so far as other businesses and other crops are concerned, conditions are more uniform from year to year.

Hon. Mr. Robertson: That is a fair point. It might be the basis of an argument by the honourable senator from Northumberland (Hon. Mr. Burchill); and I would admit that the lumber business is subject to mischances of one kind and another. Sometimes we have speculated whether the Maritime provinces would become the Florida of Canada. When the lumberman's logs are in the woods and

he cannot do anything with them, his business collapses. One can make many sorts of arguments to prove a particular point. But they do not affect my basic contention. I do not suggest that our record was perfect, or that if we had to go to war again—which God forbid—we would not improve on the general program which followed the beginning of the last war. But I say to the honourable senator from Peterborough that no future government, be it Liberal, Conservative, or any other, will again enter upon a major war without controls over prices. Any government which permitted vicious elements in this country to fleece the people left and right would not last a moment: public opinion would drive it out of office. As to accusations of unfairness, it is impossible, human nature being as it is, that everything shall be absolutely right. I have always felt that something must be wrong in a system which drags a boy from his home and throws him into the vortex of war and leaves somebody else at liberty to make any amount of money he can.

Hon. Mr. Horner: Nobody is advocating that.

Hon. Mr. Robertson: I repeat, no system is perfect; the question is what degree of weight should be attached to such a contention as that raised by my honourable friend.

I do not intend to deal with all the questions involved in this discussion: some I feel, should be left to be dealt with by my many talented colleagues around me. But I wish to give some attention to one matter to which my honourable friend has referred, and which has received considerable notice in the press, and that is the severe criticism of the government because it has a surplus. It would be over-stating the facts to say that I belong to another age, and am old fashioned, but I find it difficult to become horrified at a government for being possessed of a surplus. I lived in the county of Shelburne, which formed part of the constituency of the Honourable Mr. Fielding, and, perhaps for that reason I was trained to think that surpluses and the careful administration of finances were things to be proud of and a good omen for the future of the country. So it is difficult for me to understand why there is so much surprise that a Liberal government has had these surpluses, or why it is so viciously attacked on that ground. I have given a good deal of thought to the subject, and it is my belief that the attitude of my honourable friends opposite arises from the fact that they do not know what surpluses are. If I should happen to be wrong, I should like to be corrected by the statistically-minded leader of the opposition, who juggled so many figures today that he had me dizzy, and who is such a financial expert that I will give him the opportunity of checking me up. In going carefully through the records, I have discovered that although Canadian confederation has lasted for over eighty years, and although, particularly during the last century, my honourable friends governed the country a good part of the time, there were only two years in which a Conservative government had a surplus.

Hon. Mr. MacLennan: That explains it.

Hon. Mr. Robertson: The first occasion was earlier than anyone in this house can remember. Apparently in 1871 there was a surplus of $30,000. The second time was in 1913, earlier than either of the lady members of this house can recall. I am not sure that the Conservatives were to blame for the surplus in that year. True, they were in power, but the surplus related to the year that ended in March, 1913, and I think the Fielding tradition still carried on. It took them more than a year to get clear of the surplus. From that day to this there is no record of a Conservative government in Canada having a surplus. I shall stand corrected if the statistically-minded leader of the opposition states otherwise.

Hon. Mr. Haig: I should like to ask my honourable friend a question. If what he says is true, why did the people of Digby-Annapolis-Kings vote the way they did? What was the reason they changed their vote? My honourable friend has been discussing surpluses, and that was one of the issues.

Hon. Mr. Robertson: There were a good many issues to be considered. One of the strangest things I have found in my entire political career is the fact that a good many of our hard-headed leading businessmen have chosen to follow the Conservative party. They are represented in the other place by sound businessmen who feel that it is wise in their own affairs to spend less than they take in. They declare that that policy is part and parcel of good business, and I agree with them. In their individual businesses these men are scrupulous about this doctrine, but when it comes to government finances they throw it out the window. They rather seem to delight in deficits, and they hold up their hands in holy horror at the prospect of a surplus.

My honourable friends opposite would like to see the income tax reduced. I find no fault with that, but I can tell them that the prospects of reducing income tax are much better if there is a surplus instead of a deficit. You can try to fool the public by saying, "Oh, we will cut the income tax whether or not the finances of the country

warrant it". But this just does not work in this day and age. We Liberals were never supposed to have the business judgment of the Conservatives, but we have always believed that sound government finance is the basis of all prosperity, and that only when your house is in order can you recommend to parliament that they reduce taxes. I think it is a curious hangover that causes my Conservative friends to adopt an attitude towards government finances which is different from the one they adopt in their own private businesses. It is not that they do not know better. My honourable friends opposite have keen minds, but they are still thinking of days gone by, when the Conservative party thought that the public would listen to almost anything. That does not hold true today. The government can only reduce the taxes with public approval, and government finances must first indicate that a reduction is justified. If you want proof of this look to the United States. When Mr. Truman automatically became the President of the United States he was sneered at by the masterminds of the American business world as being quite incapable of grasping the great problems of public finance. Honourable senators will recall what happened a year or two ago when he recommended to Congress that no reduction be made in the income tax. The Republican party, which represented the business interests of that country, held that there must be a reduction in taxation. Mr. Truman's answer was that although the country was in a prosperous condition it was going to be faced with heavy expenditures, and that because of the demands that would be made on the treasury in the future it was undesirable to reduce taxes. As honourable senators know, the majority of the members of Congress at that time were of a different political faith from that of the head of the government—a situation that could not exist under our system—and they vetoed his measure on one, or perhaps two, occasions. Then when he made a third attempt to prevent a reduction in taxation, the Republicans and certain Democrats united to override him, to show what they thought the country wanted, no matter what the financial consequences might be. Let me tell my honourable friends that they should not underestimate the people's knowledge of public affairs. No government should. I believe that public opinion will support you in a reduction of taxation if finances justify it. But if you adopt an indifferent attitude, as the Republicans did in the United States, you run the risk that the public will know as much as or more than you do about finances, and will treat you accordingly.

Hon. Mr. Horner: President Truman secured the farm vote because he did not give away their wheat. They receive double the price our farmers get.

Hon. Mr. Robertson: At any rate in order to balance the budget, President Truman has now asked for increased taxes.

I have taken the greatest pride in the present government's record of financial administration both before and since I became a member of it. During the war we elected to pay for half the cost of it as we went along. That was hard to do, but the Minister of Finance predicted that we would enjoy the benefits of this policy later. We are, indeed, reaping the benefits today, and shall continue to do so for some time. We must not forget that we have to pay for our wars. Those who believe otherwise are not realistic thinkers. Because of the business-like handling of our finances by the Liberal government during the war, we are now in a position to boast that, despite the income tax reductions made in the United States, our taxes today are lower than those in that country and infinitely lower than those in Great Britain, two countries where the situation is most comparable with ours.

I quote the following from the budget speech made by the Minister of Finance on May 18 last year:

> Despite the common conception of lower taxes in the United States, it is clear . . . that at many points the Canadian tax is lower. Indeed, taking into account the number of taxpayers at various income levels, I am able to make what is to me the striking statement that three out of every four Canadians would pay more income tax on their present income if they lived in the United States rather than in Canada.

So that there may be no misunderstanding I quote from the same speech the assumptions on which the comparisons between the Canadian and United States taxes were made:

Canadian Tax

1. No allowance made for medical expenses, pension contributions, charitable donations, or other deductions. Taxpayers claiming such deductions would pay less tax than shown.
2. Family allowances for children taken into account as being in lieu of income tax relief for children.

United States Tax

1. Deduction of 10 per cent of income up to a maximum of $1,000 claimable by every taxpayer in lieu of deductions for medical expenses, charitable donations, states taxes, etc.
2. All taxpayers assumed to take full advantage of the provisions for splitting incomes between husband and wife.
3. New York State income tax included in calculation.

As honourable members know, in the United States there is also a state income tax.

I place these facts on record to emphasize the happy position that the people of Canada

are in today as a result of careful administration during the war. Our house has been kept in order, and for two successive years we have had surpluses on a large scale, which could be used—I put it in this way, for of course I am not in a position to make any definite statement on the matter—which could be used, with the approval of the sound business people of this country, for reduction purposes without injuring the country's financial condition. I say that is a most commendable position, and my honourable friends are wrong in choosing to be so indifferent to it. Let me remind them that at the corresponding period after the last war, when they were administering the affairs of the country, there was no surplus.

Hon. Mrs. Fallis: And no high income taxes.

Hon. Mr. Robertson: There were no surpluses at that time; make no mistake about that. I repeat that we are today in a sound and happy position. Despite very heavy increases in expenses of one kind and another there is a surplus, and our tax on incomes up to the $2,500 bracket is lower than that in any comparable country. In case any of us in the higher income brackets are inclined to feel sorry for ourselves, let me point out that there is no capital gains tax in this country such as there is in the United States.

Hon. Mr. Quinn: But there is a luxury tax and an 8 per cent sales tax.

Hon. Mr. Robertson: There are other taxes in the United States also, but at the moment I am discussing income taxes, which my honourable friends are so concerned about. It is difficult to understand the indifference of my honourable friends to our surpluses; the only way I can account for it is that my honourable friends have had so little experience with surpluses that they do not understand what they are.

Honourable senators, I have already taken more time than I intended to take this afternoon. There are a number of points brought up by my honourable friend that I have not dealt with, but I am surrounded by a great deal of talent on this side and I do not want to discuss every question that is raised. I hope to have an opportunity later to say something of my experiences overseas as a delegate to the United Nations Assembly. Therefore I shall not detain the house longer at this time, nor shall I ask permission to inflict myself further upon the house when the debate is resumed.

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

The motion was agreed to.

The Senate adjourned until Tuesday, February 8, at 8 p.m.

THE SENATE

Tuesday, February 8, 1949

The Senate met at 8 p.m., the Acting Speaker (Hon. A. B. Copp) in the Chair.

Prayers and routine proceedings.

FRANKLIN DIVORCE PETITION

REFUND OF FEES

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

1. With respect to the petition of Albert Franklin, of the city of Montreal, in the province of Quebec, for an Act to dissolve his marriage with Mary Helen May Leclair Franklin.
2. Application having been made for leave to withdraw the petition, the committee recommend that leave be granted accordingly, and that the parliamentary fees paid under Rule 140 be refunded to the petitioner less printing and translation costs.

The motion was agreed to.

BOURNE DIVORCE PETITION

REFUND OF FEES

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

1. With respect to the petition of Rita Louise Windsor Bourne, of the city of Montreal, in the province of Quebec, for an Act to dissolve her marriage with Norman John Bourne.
2. Application having been made for leave to withdraw the petition, the committee recommend that leave be granted accordingly, and that the parliamentary fees paid under Rule 140 be refunded to the petitioner less printing and translation costs.

The motion was agreed to.

PRIVATE BILL

FIRST READING

Hon. Mr. Campbell presented Bill H, an Act respecting the Globe Printing Company.

The bill was read the first time.

PRIVATE BILL

FIRST READING

Hon. Mr. Bishop presented Bill I, an Act to incorporate Canadian Home Assurance Company.

The bill was read the first time.

PRIVATE BILL

FIRST READING

Hon. Mr. Campbell presented Bill J, an Act respecting Chartered Trust and Executor Company.

The Bill was read the first time.

INDUSTRIAL DEVELOPMENT BANK BILL

FIRST READING

Hon. Mr. Robertson presented Bill K, an Act to amend the Industrial Development Bank Act.

The Bill was read the first time.

INDIAN AFFAIRS LEGISLATION

INQUIRY

On the Orders of the Day:

Hon. John T. Haig: Honourable members, about a year ago I had the honour of being elected a chief of the Sarcee Indian tribe. The tribe has inquired of me, as one of their chiefs, when the legislation dealing with Indian affairs will be brought down.

Hon. Mr. Robertson: In reply to the illustrious chief of the tribe, may I say that at the moment I have no definite knowledge on the point, but I shall endeavour to obtain an answer to his inquiry.

CHEESE AND CHEESE FACTORY IMPROVEMENT BILL

SECOND READING

Hon. Wishart McL. Robertson moved the second reading of Bill B, an Act to amend the Cheese and Cheese Factory Improvement Act.

He said: I have asked the honourable senator from King's to explain this bill.

Hon. J. A. McDonald: Honourable senators, this bill, if passed, will amend section 8 of chapter 13 of the act of 1939. Honourable members who were here when that measure was passed will be pleased to know that it has accomplished its purpose, namely to encourage the improvement of the quality of Canadian Cheddar cheese. It was a matter of great importance to improve the quality of this important export product of our great dairy industry.

Hon. Mr. Horner: Does my honourable friend not think he would be more correct if he added the word "former" when referring to the great dairy industry of Canada?

Hon. Mr. McDonald: It is still a great dairy industry.

Hon. Mr. Quinn: It is the great "oleo" industry now.

Hon. Mr. McDonald: As I think honourable members know, the producers did a great job during the war years in not only enhancing the quality but materially increasing the quantity of cheese which we supplied to Great Britain. In the last two years the quantity exported amounted to about 50 million pounds, and the price was 30 cents per pound

f.o.b. factory. At this point I would like to say a word of compliment to Mr. John F. Singleton, former Dairy Commissioner and chairman of the Dairy Products Board, recently retired, who did outstanding work, especially during the war years, and to his successor in office, Mr. W. C. Cameron.

This bill would make two amendments in section 8 of the act. The first would add the words "for distribution amongst producers in accordance with regulations". This is for purposes of clarification. The second amendment proposed by the bill is a new subsection of the nature of a penalty clause. As first enacted, the act provided no penalty. It was later found that a penalty clause was necessary to ensure the receipt by the producers of the bonus or premium payable to them by the government. Such a clause was prescribed under the authority of the War Measures Act, but that measure, enforced during the war years, is no longer operative. That is why this provision is to be added to section 8 of the Act. I do not know that anything more need be said by way of explanation, but if detailed information is required which cannot be given tonight, the bill might be referred to the Committee on Natural Resources.

Hon. Mr. Leger: Would the honourable senator say whether "producers" is defined in the Act?

Hon. Mr. McDonald: No, "producer" is not defined.

Hon. Mr. Leger: Does the word as used in the section mean the person who produces the milk or the cream for the cheese, or the manufacturer of the cheese?

Hon. Mr. McDonald: "Producer" here means the person who produces the milk for the cheese factory. He is paid a bonus of one cent per pound on cheese made from his milk which grades 93, and two cents per pound bonus on cheese made from his milk which grades 94.

Hon. Mr. Leger: Is that provided for in the Act?

Hon. Mr. McDonald: Yes.

Hon. Mr. Leger: It occurs to me that the word "producers" should include the manufacturer as well as the person who delivers the milk. A factory produces cheese.

Hon. Mr. McDonald: If the section is amended as set out here, it will read:

> The governor in council may grant to cheese factories, for distribution amongst producers in accordance with regulations, out of moneys appropriated by parliament for the purpose, the sum of one cent per pound on all cheese that scores 93 points on grading or scoring by a dairy produce grader, and the sum of two cents per pound on all cheese that scores 94 or more points on grading or scoring by a dairy produce grader.

Hon. Mr. Aseltine: Will the honourable senator please explain how these points are determined? How is the grading done?

Hon. Mr. McDonald: The dairy produce graders grade the cheese in the factories and award points according to texture, moisture content, flavour, and other qualities of that nature. The points are added up.

Hon. Mr. Aseltine: What do you mean by 93?

Hon. Mr. McDonald: Ninety-three points.

Hon. Mr. Aseltine: Out of how many?

Hon. Mr. McDonald: Out of 100.

Hon. Mr. Roebuck: I must confess that I am in a haze with respect to this bill. It is stated here that a penalty is necessary to ensure that money appropriated by parliament shall be distributed to the parties for whom it was appropriated. What has been going on that such a penalty is required? It would seem to me that it is a matter for the Criminal Code, if money that has been appropriated by parliament for somebody has been appropriated by somebody else.

Hon. Mr. Hayden: You mean misappropriated.

Hon. Mr. Roebuck: Yes. It becomes an offence under the Criminal Code. No penalty would be required under this bill to carry out an Act of parliament. I do not understand this.

Hon. Mr. Hayden: That is why it should go to committee.

Hon. Mr. McDonald: Soon after the Act went into effect it was found necessary to impose a penalty to make sure that these bonuses were passed on to the producers. The government paid the bonuses to the treasurer at the cheese factory, and he in turn was to pay them to the producers.

Hon. Mr. Farris: He would be a trustee.

Hon. Mr. McDonald: Yes. Under the War Measures Act the government was able to provide a penalty; but now it is necessary to write the penalty into the Act.

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

REFERRED TO COMMITTEE

Hon. Mr. Robertson moved that the bill be referred to the Standing Committee on Natural Resources.

The motion was agreed to.

NATIONAL TRADE MARK BILL

SECOND READING

Hon. Mr. Robertson moved the second reading of Bill C, an Act respecting the application of a National Trade Mark to commodities and respecting the true description of commodities.

He said: Honourable senators, I have asked the honourable senator from Toronto (Hon. Mr. Campbell) to explain this bill.

Hon. G. P. Campbell: Honourable senators, this legislation will amend certain provisions of the Dominion Trade and Industry Commission Act, 1935. Its purpose is to continue the use of a national trade mark, to establish commodity standards, and to provide for the accurate labelling of commodities. The present law has never been satisfactory, and questions have been raised from time to time about the constitutionality of its provisions. Under the present law there is provision for the establishment of a commission to administer the Act, but that commission has never functioned. In an attempt to make the Act effective, certain powers were transferred to the Director of Standards of the Department of Trade and Commerce, while other powers were transferred to the minister.

The government feels that this bill in its present form, which has been carefully considered, is *intra vires* of this parliament. It will establish the words "Canada Standard" or the initials "C.S." as a national trade mark. Under the existing law the minister has power to regulate the manner in which this trade mark may be used, and the Governor in Council has authority over all national trade marks. It is now felt that all regulations should be within the jurisdiction of the Governor in Council. The use of the trade mark is not restricted to commodities which already have met recognized standards approved by the department, but it is proposed to limit it to commodities meeting standards or specifications established under this Act or other statutory authority. Under the present law, once permission is granted to use the trade mark, there is no provision for cancellation for infringements of the regulations. The proposed legislation authorizes the Governor in Council to make regulations for such cancellation, and contains adequate provisions for proper enforcement.

It may be of interest to honourable members to know something about the development of legislation of this kind. The British North America Act vested in the Dominion Parliament certain powers with respect to standards of weights and measures, and from time to time there have been requests from industry for standards relating to goods that are sold on domestic and foreign markets. The purpose of the present bill is to set up facilities which will be available to persons who wish to take advantage of a national trade mark. Use of the trade mark will not be compulsory, but any goods on which it appears must comply with the standards that will be laid down in regulations.

As honourable senators will realize, the use of standards of measurement has been very extensive in this country. For instance, provision has been made for the inspection of gas meters, electrical meters, elevator scales, and so on. Similarly it is proposed to keep a close check on the manufacture of goods bearing the national trade mark, in order to see that they comply with the requirements as to standards. In this way the public can be assured that an article which bears the words "Canada Standard" is what it purports to be.

Hon. Mr. Farris: How is that check to be carried out?

Hon. Mr. Campbell: That has not yet been determined, but regulations will be made by the Governor in Council. This whole question is being carefully studied by the Department of Trade and Commerce in conjunction with the National Research Council. It is expected that a manufacturer who wishes to use the national trade mark on commodities which he is offering to the public will be required to submit his goods to the National Research Council for investigation and opinion, and that the council will then advise the minister whether representations made regarding the goods are true. Once permission has been given to a manufacturer or distributor to use the words "Canada Standard" upon his goods, he will be under obligation to see that those goods are in accordance with the required standards.

The bill itself is a short one, but perhaps there are one or two comments that I should make about it. It provides for three things: first, for the use of a national trade mark, "Canada Standard"; second, for the establishment of standards of commodities to which such trade mark may be applied; and third, for the accurate labelling of goods.

I have already said that there have been some requests from industry for standards relating to certain goods. It may interest honourable senators to know that the only specific request of that kind dealt with so far came from the furriers. Coats made of dyed rabbit, for instance, were being offered for sale as "Hudson seal", and there was a request that the manufacturers of these garments be required to label and advertise their goods as such, so that the public would not be deceived. As a result, standards were agreed upon, and since then advertisements of "Hudson seal" coats have contained, in brackets, the words "dyed rabbit".

Under the existing law the Minister of Trade and Commerce has the power to regulate the manner of using the national trade mark, but no power to prescribe the terms and conditions of its use. The Governor in Council has that power under the present law, but has no authority over the national trade mark itself. Thus there has been a divided authority, which did not work out well. This bill empowers the Governor in Council to make regulations prescribing commodity standards.

At present the right to use the national trade mark is not restricted to commodities for which standards or specifications have been prescribed, but this bill provides that the use of the mark shall be limited to commodities which comply with the regulations as to standards, the purpose being to give the mark some clear significance and value. Also, under the present law, once the right to use the trade mark had been granted and the manner of applying it had been prescribed, there was no provision for cancelling that right, even though it had been abused. The bill remedies this situation by providing that in the event of failure to comply with the regulations the right to use the mark may be cancelled.

Hon. Mr. Farris: I should like to ask my honourable friend if the bill would apply to oleomargarine.

Hon. Mr. Campbell: I asked that question when I was being informed about the bill, and I was told that it was not intended that the measure should apply to oleomargarine. I suppose, however, that under the law regulations could be passed to make sure that oleomargarine was properly labelled, so that the public would not be deceived.

Hon. Mr. Hayden: Only if the national trade mark "Canada Standard" were used on the oleomargarine. Is that not so?

Hon. Mr. Campbell: There is provision in the bill for labelling, to ensure that true statements are made with respect to ingredients, weight, quality and so forth.

Hon. Mr. Farris: And colour?

Hon. Mr. Campbell: There is nothing about colour. For the purpose of preventing public deception—this may apply to oleomargarine as well—the Governor in Council has had authority to prescribe the wording appearing on the commodity or the package to describe the material content. This power is considered inadequate, and the bill would amplify it by enabling the Governor in Council to provide that commodities and containers shall be marked in such a way as to indicate not only the material content but the quality, size, quantity and properties of the commodity. To date the labelling regulations, so far as the department is concerned, have been confined to the fur garments to which I have referred. But there has been considerable demand from manufacturers for the adoption of regulations requiring an accurate representation of articles offered for sale.

I do not think I need take more time to discuss the details of the bill. Although the subject is not new, it is an important piece of legislation. Its purpose is to make workable the provisions of the law now in force, and to make sure that those provisions are not *ultra vires*.

Hon. Mr. Hayden: Would my friend permit a question? Is it intended that the provisions of the bill should apply only to cases where the national trade mark, "Canada Standard" is being used? For instance, section 5 would appear to be broader in scope than section 4, which is limited by regulations relating to the national trade mark. Is it intended that section 5 be so limited?

Hon. Mr. Campbell: The bill, as I understand it, falls into two parts. The first has to do with the national trade mark, for which regulations will be passed providing the conditions under which it may be used. The second part relates to further regulations which will be passed to provide for proper labelling of goods, in order to prevent deception of the public. There are several pieces of legislation now in existence, such as the Food and Drug Act, under which the federal parliament has passed regulations requiring a standard of labelling and description of contents.

The bill requires careful study and consideration. Therefore, when it receives second reading, I intend to move that it be referred to the Standing Committee on Canadian Trade Relations.

Hon. Mr. Crerar: May I ask my honourable friend whether this requirement as to the use of the national trade mark is to be mandatory in character? For example, would a sawmill operator manufacturing and selling lumber for domestic and export trade be required by this legislation to attach the Canada Standard mark to his product?

Hon. Mr. Campbell: No. I thought I had made it clear that the use of the national trade mark was purely optional, but that once a manufacturer had decided to use it he must then comply with the regulations. I also said that the proposed legislation seems to go further with respect to certain other conditions; but they do not relate to the use of the trade mark. There are also provisions in the bill which will require careful study to avoid conflict with provincial rights or interference with present trade practice.

Hon. Mr. Roebuck: I notice that in section 3 of the bill the word "Canada" is substituted for the words "Dominion of Canada." Is there any significance to be attached to that change?

Hon. Mr. Campbell: I do not think so. "Canada" is shorter, and is thought to be a better trade name.

Hon. Arthur W. Roebuck: Honourable senators, I quite agree with the suggestion of the honourable senator from Toronto (Hon. Mr. Campbell), that this bill should be carefully investigated in committee. It appears to me to be a most useful piece of legislation, and one may well compliment those who have developed it thus far. It may bring about high standards which will maintain and increase the status of Canadian goods in foreign markets. There is, however, a very grave danger connected with this kind of legislation. It seems to place the Dominion of Canada alongside the vendor of commodities, and to make the government and the nation responsible for the quality of his goods. When the standard is abused in those circumstances the matter is more serious to Canada and her reputation abroad than where a private seller stands alone behind his goods.

Hon. Mr. Haig: Hear, hear.

Hon. Mr. Roebuck: I have been consistently opposed to the government entering into business deals, making monopolies of certain trades, and selling on the one hand and buying on the other for distribution among the people. One reason for my opposition is that when disagreements arise, as they so often do between parties to commercial transactions, the matter then attains a national importance. It is no longer a quarrel between a buyer and a seller, which can be decided in the courts; it becomes an international question, with both sides taking their revenge, not by going to court, but rather by blackguarding one another from Dan to Beersheba. That is the difficulty we encounter when we make the government the dealer.

I agree that this measure is different from some others, but it savours of placing the Dominion of Canada in the position of guarantor of the goods of some private producer or trading company. I would warn those who undertake the administration of this Act that they must be vigilant, lest damage be done to Canada. I believe that a great deal of checking up will be necessary to prevent some of the difficulties to which I refer.

Hon. J. W. de B. Farris: Honourable senators, I have not studied this proposed legislation, but my honourable friend from Toronto-Trinity (Hon. Mr. Roebuck) has raised a question which makes me realize that there are certain provisions in the bill which require serious consideration. Having listened to what the honourable member has just said, it appears to me that there are two distinct matters which require recognition before we decide whether what we are doing is right or wrong.

I refer first to paragraph (b), subsection (1), of section 4, which I read along with paragraph (b) of section 5.

Paragraph (b) of subsection (1) of section 4 is as follows:

> (b) prescribing the terms and conditions on which the national trade mark may be applied to commodities or packages or containers thereof;

That means that, once a national trade mark has been prescribed, it has the endorsement of the Dominion government and can be advertised as such.

Then look at section 5:

> The Governor in Council may make regulations...
> (b) prescribing the implied warranties that marking or labelling in accordance with a regulation made under this section shall represent;

The converse of that is that, once those warranties have been prescribed, and the vendor or manufacturer has conformed thereto, he is entitled also to broadcast to the world that he has conformed to the requirements of the law under the dominion government regulations. That may be highly advantageous and desirable, but in assuming these regulatory functions the Government of Canada is taking on a grave responsibility, and I think that in committee we must check very carefully to ascertain the extent to which the department has realized the magnitude of the task it has undertaken.

Hon. Mr. Roebuck: And we should inquire as to the machinery it has for its purpose.

Hon. Mr. Farris: Yes, how far it has the machinery, and is prepared to take the responsibility of permitting vendors of commodities to give purchasers the guarantee that the Dominion Government is behind the products which they produce.

Another question which is raised by this bill, and one which—again speaking rather "off the bat"—would raise doubt, I believe, in the mind of any lawyer, arises under paragraph (a) of section 5:

> The Governor in Council may make regulations...
> (a) prescribing the form and manner in which any commodity designated by him or any package or container thereof shall be marked or labelled, or described in advertising, in order to indicate the material content, quality, size, quantity or properties of such commodity, or to indicate whether or not the commodity conforms to a prescribed standard or prescribed specification

The question to my mind is, what section of the British North America Act confers this authority? Is it section 91, dealing with

trade and commerce, or section 92, relating to property and civil rights? On this point the honourable member from Toronto (Hon. Mr. Hayden), who has recently been a party to a case in the Supreme Court in connection with oleomargarine, can speak with more authority than any other member of this house. I can recognize that considerations of health may be involved, and that even colouring matter might be within the federal jurisdiction if it affected the nutrition or health of consumers of the commodity. But how far is it permissible for the federal authority to designate, by virtue of section 5, paragraph (b), the label to be used on a commodity which is manufactured or sold in a province and does not go outside that province? If the section dealt expressly with interprovincial or international trade, one could understand that there would be some right in the Governor in Council to deal with the matter. While I have not the least intention, upon the brief consideration I have been able to give it, to say whether this section is *ultra vires,* I do assert that it raises questions which should be given most serious consideration by the appropriate committee of the Senate, and, I believe, by every lawyer in this house who is interested in and feels some qualification to consider these matters. I do not know of any bill in a long time that has raised questions of greater and more vital import, and I suggest that this bill be remitted to the Banking and Commerce Committee.

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

REFERRED TO COMMITTEE

Hon. Mr. Robertson moved that the bill be referred to the Banking and Commerce Committee.

The motion was agreed to.

NATIONAL RAILWAYS AUDITORS BILL

SECOND READING

Hon. Wishart McL. Robertson moved the second reading of Bill E, an Act respecting the appointment of auditors for National Railways.

He said: Honourable senators, section 13 of the Canadian National-Canadian Pacific Act, 1933, chapter 33, 1933, as enacted by section 3 of chapter 25, 1936, provides as follows:

"(1) A continuous audit of the accounts of National Railways shall be made by independent auditors appointed annually by a joint resolution of the Senate and House of Commons and annually reporting to Parliament in respect of their audit. Their annual report shall call attention to any matters which in their opinion require consideration or remedial action. They shall be paid by the National Company such amounts as the Governor in Council shall from time to time approve."

The reason the present Bill is as follows: "Notwithstanding the provisions of section 13 of the Canadian National-Canadian Pacific Act", is that the provision that the auditors be appointed annually by joint resolution of the Senate and House of Commons has been found to be too complicated and cumbersome for practical purposes. In consequence, the simpler method of appointment by act of parliament has been adopted.

This is an annual bill and is in the same form as in previous years. It provides for the appointment of George A. Touche and Company as independent auditors.

Although bills similar to the present one have been before the Senate for several years, and most honourable senators are familiar with their terms and purposes, it may be well, for the benefit of those who are less well informed, that I repeat what I have said on previous occasions with reference to the appointment of these auditors and the scope of their work.

The auditors' report to parliament for 1947 outlined briefly the general scope of the audit of the national system as follows:

(a) Examination of major expenditure authorities in conjunction with the recorded resolutions of the directors, which in turn are related to corporate by-laws, orders-in-council and acts of parliament;

(b) Audit tests in the offices of regions, separately operated properties and system headquarters, limited to a cross-section of the major expenditures so authorized;

(c) Examination into the adequacy of the internal audit control in general as exercised by the accounting staff of the system. In this connection we work in collaboration with the executive accounting officers at headquarters having as a common objective the securing of maximum internal protection to the system in the control of cash receipts and expenditures, securities held, material stores, accounts receivable, etc., and through the carrying of fidelity bond insurance with outside underwriters, and

(d) Audit and certification of the consolidated income account and consolidated balance sheet for presentation to parliament, which body is thus placed in possession of facts upon which conclusions can be reached as to the stewardship of the duly appointed administrators of the system.

In respect of Trans-Canada Air Lines and Canadian National (West Indies) Steamships, Limited, the scope of the audit is similar to that of the national system and may be outlined briefly as follows:

(a) Examination of major expenditure authorities, embracing mainly the recorded resolutions of the directors, corporate by-laws, acts of parliament and orders in council;

(b) Audit tests covering a cross-section of the major expenditures so authorized;

(c) Examination into the adequacy of the internal audit control in general by the accounting staffs of the companies covering cash receipts and expenditures, securities held, material stores, accounts receivable, etc., and

(d) Audit and certification of the balance sheets, income and profit and loss accounts for presentation to parliament.

Prior to 1938, the fee paid George A. Touche and Company for audit of the above mentioned accounts was $50,000 per year. Commencing in the year 1938, the fee was increased to $51,800 by reason of the inclusion of the Trans-Canada Air Lines and the Canadian National Railways Securities Trust. In 1946 the fee was increased to $55,000 per year, principally due to the increased work imposed upon the auditors as a result of the substantial growth of the Trans-Canada Air Lines. The fee is fixed by the Governor in Council.

In addition to this fee the auditors are compensated for disbursements in certain cases, such as those made for travelling for audit purposes and at hotels on such occasions, at all audit points, except the city of Montreal, and also for special disbursements made in the preparation of extra copies of reports, in both English and French, to Parliament as required by the government. These expenditures average about $4,500 per annum. The fee and disbursements are paid by the Canadian National Railway Company and Canadian National (West Indies) Steamships, Limited, in such amounts and at such times as approved by the directors of the railway company and steamship company.

Since the inception of the Canadian National Railway System in 1923 George A. Touche and Company have been the auditors, with the exception of the year 1935 when Clarkson, Gordon, Dilworth, Guilfoyle and Nash of the city of Toronto were the appointed auditors. Prior to the formation of the Canadian National Railway system in 1923 George A. Touche and Company were the auditors of the Canadian Northern Railway Company.

The Canadian National Railway system comprises a large number of subsidiary companies and operates railways and other facilities in Canada and the United States. For this reason it is necessary to have accounting firms to do the auditing with connections in the United States. Also, owing to the diversified operations of the Canadian National Railways, it is considered necessary to have experienced auditors. The firm of George A. Touche and Company have the connections in Canada and abroad, and by reason of their long association with Canadian National Railways' accounts, have the experience, and it is considered good business for the railway to have a continuous audit made by the same firm.

Hon. Mr. Roebuck: It is proposed to use the same auditors as were used last year?

Hon. Mr. Robertson: Yes.

Hon. Mr. Moraud: Is it a Canadian or an English firm?

Hon. Mr. Robertson: I believe it is a Canadian firm.

Hon. Mr. Haig: No, it is an English firm. Its headquarters are in London under Mr. Touche. There are partners located in Montreal, Toronto and Winnipeg.

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

SPEECH FROM THE THRONE

ADDRESS IN REPLY

The Senate resumed from Thursday, February 3, the consideration of His Excellency the Governor General's Speech at the opening of the session, and the motion of Hon. Mr. Farquhar for an address in reply thereto.

Hon. F. W. Gershaw: Honourable senators, may I first of all congratulate the mover and seconder of the Address upon their eloquence and the subject-matter of their speeches. I should also like to extend my humble welcome to the newly appointed senators. Although they have certain responsibilities to carry out, like their predecessors, they will find in this chamber a spirit of good will and good fellowship which I am sure they will appreciate.

Some Hon. Senators: Hear, hear.

Hon. Mr. Gershaw: Honourable senators, I wish to take advantage of the latitude extended to speakers in this debate to refer briefly to three subjects, none of which, perhaps, is closely related to the subject-matter of the Address.

May I say that those engaged in the livestock industry are grateful to the Canadian government for the action it took in their behalf during the past year? Ranching is now carried on in a much more scientific manner than in the days of the open ranges, but the stock-raising industry is still subject to periods of depression and disaster. Storms may destroy whole herds of cattle, food may be in short supply, and prices may vary widely. But 1948 will long be remembered as the year when the embargo against our cattle entering the United States was removed, and when the prices for fat cattle reached and exceeded the twenty-cent mark.

When it became known that the embargo had been removed, cattle cars came into Alberta from Chicago, St. Paul, and from as far south as Los Angeles. Buyers appeared at the feed lots and the ranches in great numbers. The Americans were anxious to get our fat cattle, our stockers and feeders. When it was learned that cars might be in short supply and that some of the cattle might not reach the market, the old method of trailing them across the prairies was adopted. At one place close to where I live some 800

cattle were gathered and started on the long overland trip to the United States. As they slowly progressed, at six to eight miles a day, other cattle were purchased and added to the herd. They were corralled for veterinary inspection, and then the cowboys drove them south to the American shipping points. It was a revival of the old trailing method which was in vogue before the open ranges were criss-crossed with fences and railway tracks. More than 240,000 cattle have been shipped into the United States, and they would supply about one and a half per cent of that country's consumption of beef.

The lifting of the embargo brought a real supply of American dollars into Canada. Furthermore, statistics show that there was no decline in the use of meat by Canadians. On the contrary, more meat than ever was consumed in this country. The increased revenue received by the industry was a great help also to the income tax department. Most important of all, it gave the people engaged in the ranching industry an opportunity to pay their debts, to meet their costs of production, to undertake certain improvements, and to get back on the trail which they were travelling before the embargo was imposed. It is fondly hoped that this natural market will never again be closed, and that ranchers, who are noted for their hospitality and neighbourliness, will not in future be handicapped by artificial trade barriers.

I also wish to say something about the development of oil production in Alberta. That province at the present time is having the greatest oil boom in its history, and great credit is due to the private oil companies which have invested so much of their risk capital in the search for oil on the western prairies. In 1948 the expenditures on oil development were about $50 million, or an average of roughly $1 million a week; it is expected that this year they will run to about $100 million, or about $2 million a week. Credit is also due to the technical men who went into the remote and relatively inaccessible districts. Travelling by canoe, packtrain or airplane, in groups of three or four, they spent months in the lonely wilderness, making observations and charting the way for other specialists, who predicted to the best of their ability where oil might be found. Eventually there was a lot of drilling, and in spite of many discouragements this has paid off. In 1948 the number of wells drilled in Alberta was 366, of which 210 proved to be oil producers, 23 were gas wells and 133 were dry holes.

The daily output of crude oil has been about 35,000 barrels, and the average during one week in the middle of November was 39,572 barrels. Oil men hope and expect that by 1950 the wells will be producing 65,000 barrels a day. The oil production has been of great benefit not only to Alberta but to the whole country. Rentals and royalties have brought millions of dollars to the provincial treasury, and four to five thousand persons are employed directly in the oil industry. As the Canadian consumption of oil is about 250,000 barrels daily, we have had to depend upon imports for about 86 per cent of our requirements. Every barrel of oil produced in Alberta saves from $3 to $5 of our American exchange.

There is one other matter to which I wish to refer at this time, and that is divorce. Ever since confederation parliament has had to deal with a number of applications for divorce, and it seems that at almost every session some honourable members have spoken of the undesirability of the procedure. In a book written by Gemmill it is stated that not only is there no jurisdiction in Quebec to deal with divorce but that a pre-confederation law, which was continued by the British North America Act and will continue till parliament chooses to repeal it—as it has power to do under section 91 of that act—declares that marriage is dissolved only by the death of one of the spouses. As nothing has been done by the various parliaments down through all the years to repeal that law, it seems likely that divorce applications will continue to come to parliament for a long time yet.

Partly owing to the war, the number of divorce cases has increased; but altogether aside from that cause it seems that divorce is greatly on the increase. It has occurred to me that it might be possible to appoint a King's Proctor or some such official whose duty it would be to inquire into every divorce application right on the ground and try to reconcile the parties, and where that is not possible, to send a report to the body hearing the application. If it is not practicable to employ such an officer, perhaps a system could be developed whereby some reliable official, such as magistrate or police chief, would endeavour to bring about reconciliation in certain cases and forward a report in every case where attempts at reconciliation were unsuccessful.

Hon. Mr. Euler: Is my honourable friend referring only to cases coming from Quebec or to cases from the whole of Canada?

Hon. Mr. Gershaw: I should think it would be well if some such system could be worked out for the whole of Canada, for divorce is on the increase in every province.

The following statement by the Chairman of our Divorce Committee (Hon. Mr. Aseltine)—who, by the way, deserves great credit

for the work he has done in that position—appears on page 558 of the Senate *Hansard* for 1947:

> South Carolina, South Ireland—that is Eire—and Quebec are the only places in the world where divorce cannot be obtained. In Canada, except in Nova Scotia, where cruelty is a ground for divorce, the only ground on which a divorce can be obtained is adultery. It is my opinion that this restriction to one ground has resulted in the wholesale commission of adultery by people seeking freedom from unhappy marriages.

Witnesses appearing before the committee are informed that they need not answer any question if, thereby, they would incriminate themselves or involve themselves in an admission of adultery; but it is rather shocking to find that men and women will boldly, brazenly and apparently without shame stand up and admit that they have been guilty of this moral crime.

Marriage is a sacrament and also a legal contract, and I urge this parliament, as a means of reducing the number of cases, to make the breaking of the marriage contract a crime under the laws of the land. Divorce is based on adultery, and it seems reasonable to think that if adultery were a crime under the law there would be fewer applications for divorce. Why is adultery not a crime? In some countries it is so regarded, but here it is generally considered to be a personal affair.

Every divorce case is a domestic tragedy in which the innocent parties meet shame and disaster, and the stigma clings to the children particularly in all their activities. When married life becomes intolerable and unendurable, let the injured parties go to the provincial courts or come to the High Court of Parliament and have their cases heard; but let not the commission of a crime be the only ground for escape from an unhappy union.

Some Hon. Senators: Hear, hear.

Hon. Mrs. Fallis: Honourable senators, I move the adjournment of the debate.

The motion was agreed to.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, February 9, 1949

The Senate met at 3 p.m., the Acting Speaker (Hon. A. B. Copp) in the Chair.

Prayers and routine proceedings.

NATIONAL RAILWAYS AUDITORS BILL

THIRD READING

Hon. Mr. Robertson moved the third reading of Bill E, an Act respecting the appointment of auditors for National Railways.

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

PENSION FUND SOCIETIES BILL

SECOND READING POSTPONED

On the Order:

Second reading of Bill D, an Act to amend the Pension Fund Societies Act.

Hon. Mr. Robertson: Honourable senators, I had asked the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) to explain this bill, but through no fault of his own he has been unable to secure some of the information which he requires. I would therefore ask that the order be allowed to stand until tomorrow.

The order stands.

GAME EXPORT BILL

SECOND READING

Hon. Mr. Robertson moved the second reading of Bill F, an Act to amend the Game Export Act.

He said: Honourable senators, I have asked the honourable member from Northumberland to explain this bill.

Hon. G. P. Burchill: Honourable senators, the purpose of this bill is simply to revise and clarify existing legislation. When the Game Export Act of 1941 was drafted, it contained a section providing for the appointment of dominion game officers to enforce the Act. Parliament deleted that section, and it now becomes necessary to pass legislation repealing other sections which refer to those game officers, who were never appointed.

Section 2, paragraph (c) of the bill refers to dominion game officers. Section 5 of the Act also refers to those officers, and describes their powers. The present subsection (1) of section 5 of the Act, which prescribes the form of oath to be taken by game officers, and subsection (2) of the same section, which refers to the powers of game officers, are both unnecessary and confusing. The enforcement of the Act is in the hands of the provincial authorities—the provincial game officers and the provincial police—and of customs officers and the Royal Canadian Mounted Police. For the reasons I have mentioned, and at the request of the 1948 Ottawa conference of the dominion and provincial wild life officials, the government is asking for the repeal of these sections.

Hon. Mr. Leger: If the federal parliament has no jurisdiction to appoint game wardens, has it jurisdiction to declare that so and so shall be a game warden? It seems to me it goes without saying that, if the dominion authorities cannot appoint, they cannot, in conformity with the Act, declare that somebody shall be a game warden.

Hon. Mr. Moraud: Then why debate the point?

Hon. Mr. Leger: I do not know why the bill is before us. The Dominion Government is without jurisdiction in the matter.

Hon. Mr. Burchill: Section 6 of the Act makes provision for the officers who shall enforce it. All we are asking parliament to do today is to repeal the sections which have reference to dominion game officers, who were never appointed.

Hon. Mr. Leger: Yes, but paragraph (c) of section 2 of the bill states:

"Game officer" means a person declared by this Act to be *ex officio* a game officer.

According to the explanatory note:

The proposed amendment makes it clear that there is no authority to appoint dominion game officers under this Act.

I repeat that I cannot see how, if there is no authority to appoint game officers, there can be any right to declare that so and so shall be a game officer.

Hon. Mr. Hayden: The reference is to dominion game officers.

Hon. Mr. Leger: To declare that so and so is a game warden *ex officio* is equivalent to appointing him.

Hon. Mr. Howden: The mounted police are game officers *ex officio*.

Hon. Mr. Leger: Those are my views.

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

REFERRED TO COMMITTEE

Hon. Mr. Robertson moved that the bill be referred to the Standing Committee on Natural Resources.

He said: The point raised by the honourable senator from L'Acadie (Hon. Mr. Leger) is beyond the scope of my knowledge, since

I am not versed in the law, and I think the bill might well be referred to a standing committee at which officials of the department concerned could attend to clear up any points of difficulty. I do not believe the matter is one of urgency: in any event, the Committee on Natural Resources will meet tomorrow morning.

Hon. Mr. Haig: May I point out that the Committee on Natural Resources has nothing to do with the legal question raised by my honourable friend? While I have no objection to the bill being referred to that committee, I believe it could be more appropriately remitted to the Committee on Banking and Commerce, which is the legal committee.

Hon. Mr. Robertson: I may point out that the meetings of the standing committees of the Senate are open to all honourable senators. I am calling a meeting of the Committee on Natural Resources tomorrow morning at 10.30, and those senators who are not members of the committee but who are interested in this bill may attend. I think, too, that honourable senators will find many members of the legal fraternity at the meeting.

The motion was agreed to.

CULLERS BILL

SECOND READING

Hon. Mr. Robertson moved the second reading of Bill G, an Act to repeal the Cullers Act.

He said: Honourable senators, I have asked the honourable senator from Grandville to explain this bill.

Hon. P. H. Bouffard: Honourable senators, this legislation is not of a serious nature. Its object is to repeal an Act which has not been in operation for the past thirty years. The Cullers Act was passed by the parliament of United Canada in 1842, to provide for the measurement and inspection of lumber for export. The Act was limited in its scope, applying only to Quebec and Ontario, and further, it applied only to waney pine and square lumber to be exported. The measurements were made in Montreal and Quebec, and in some parts of Ontario.

Since 1867 both Ontario and Quebec, the two provinces mainly concerned with the Cullers Act, have passed legislation of their own for the measurement and inspection of all kinds of timber cut on Crown lands, which still includes the bulk of the cut in these provinces. This meant a double inspection and measurement. As a matter of fact, from 1894 to 1920 the amount of lumber measured under the Cullers Act in Quebec and Montreal was so small that the department closed its offices in 1921. At the present time in Quebec and Ontario, lumber, whether or not it is for export, is measured and inspected by cullers appointed under the respective Acts of the two provinces. This method has proved satisfactory, and there is no complaint whatsoever as to the measurement and inspection of lumber. Exporters who fail to have their lumber inspected by federal cullers are subject to fines and penalties; yet there are no cullers to make the inspection. I suggest to honourable senators that the only course to take with respect to an Act that has not been operative for the last thirty years is to repeal it.

Hon. Mr. Leger: Can the honourable gentleman inform me whether there are still any annuitants under the act?

Hon. Mr. Bouffard: In 1921 every officer and man employed on this work was placed on an appropriate annuity by the Department of Trade and Commerce, and I understand that in the meantime all but one of these persons have died.

Hon. Mr. Leger: If we repeal the Act will that man's annuity cease?

Hon. Mr. Bouffard: My information from the Department of Trade and Commerce is that there is no annuity that will cease on account of the repeal of this Act. The man referred to was retired under the Superannuation Act, not under the Cullers Act, and so would not be affected at all by repeal of the Cullers Act.

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

SPEECH FROM THE THRONE

ADDRESS IN REPLY

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

Hon. Iva C. Fallis: Honourable senators, in rising to participate in this debate, I should like first to join the speakers who have preceded me in paying tribute to the mover (Hon. Mr. Farquhar) and the seconder (Hon. Mr. Comeau) of the address in reply to the Speech from the Throne. It was my privilege to be for three years a member of the Joint Committee on the Indian Act, of which the mover of the Address was also a member. I found him there to be an able and hard-working parliamentarian, and I know he will be a valuable acquisition to this house. Unfortunately it was not possible for me to be present when the seconder of the address was

speaking, but on reading *Hansard* I realized that I had thereby suffered a distinct loss, for I am sure the speech was a most interesting and unusual one.

I should like to speak for a short time on one paragraph in the Speech from the Throne, but before doing that I wish to refer to two or three statements that were made by the honourable leader of the government (Hon. Mr. Robertson) on Thursday last. The first is in reference to the wheat agreement with Britain. That subject was fully and ably covered by the honourable senator from Winnipeg, the leader on this side (Hon. Mr. Haig), and I do not purpose to go over any of the ground which was covered at that time. However, just in passing, I should like to remind the leader of the government that when he chides so severely those of us who belong to the Progressive Conservative party for our stand on this wheat agreement he should not overlook the fact that many members of his own party share our opinion. I have a distinct recollection of listening to a very fine speech that was made here last session by an able and experienced parliamentarian who knows the conditions and problems of western Canada as well as any and better than most of us. I refer to the honourable senator from Churchill (Hon. Mr. Crerar), who took exactly the same stand as was taken by the honourable senator from Winnipeg.

I should like to briefly repeat that stand, so that it will be clear in our minds. All of us, no matter whether we liked the terms of the agreement or not, were in favour of Britain receiving the wheat at $1.55 a bushel. However, some of us thought that the $300 million loss that was sustained should have been borne by the taxpayers of Canada and not by a few wheat growers in the West. That is the only point upon which there was any difference of opinion. In answer to that point the leader of the government said that the wheat growers of Canada were in exactly the same position as the Dominion Steel and Coal Company, the lumber industry and other industries which had to submit to a certain degree of price control during the war. To that statement I must take exception.

Hon. Mr. Horner: Hear, hear.

Hon. Mrs. Fallis: In the first place, there is no greater gamble on earth today than growing wheat in western Canada. But it is a gamble that must be taken by men who have the courage to do it, because the world must be fed. Those of us who are familiar with the West, and particularly with the greatest wheat growing province, Saskatchewan—I know something about this, for I lived on a wheat farm in Saskatchewan for many years —are aware that very few districts out there have not at some period in their history suffered destruction of their crops by hail, drought, rust or grasshoppers, sometimes for one year, sometimes for two years and sometimes for as long as six years in succession, until farmers who formerly had been in a very prosperous condition were forced to go on relief.

The honourable leader of the government said in his speech last Thursday that the western farmer is more prosperous today than he ever was before. That may be true in some districts, but I would call the attention of the house to a press dispatch from Regina, dated February 4, which says this:

> Prairie farm assistance headquarters today announced 51,878 praiire farmers will draw $12,792,951 in assistance benefits for 1948.
>
> The Saskatchewan share—by far the largest—is $11,112,671, with 44,660 of the province's 120,000 farmers receiving "grocery and clothing" money to tide them over until the next crop.

That means that more than one-third of the farmers of Saskatchewan will be receiving assistance from the prairie farm assistance fund. I simply leave this thought to the good judgment of honourable senators: Did you ever see in any paper a similar item in connection with the Dominion Steel and Coal Company?

In discussing the points made by the leader on this side (Hon. Mr. Haig) with regard to the government's financial surplus, the leader of the government (Hon. Mr. Robertson) used these words:

> They—

That is the members of the Progressive Conservative party.

> —rather seem to delight in deficits, and they hold up their hands in holy horror at the prospect of a surplus.

My honourable friend is not usually so extreme in his language, or so prone to exaggerate. Perhaps he was carried away on the tide of his own eloquence and just did not realize what was the subject under discussion. Certainly, I know of no one in our party who has ever been opposed to the government having a surplus. We do, however, strenuously oppose the size of the surplus and the methods by which it was obtained. That is an entirely different matter. We are agreed that, if possible, it is sound financing to have a comfortable surplus of revenue over expenditures. That applies to both government and private financing. I submit that today the Minister of Finance finds himself in possession of an uncomfortable surplus. I think my honourable friends will find great difficulty in justifying to the taxpayers the taking by way of taxation of more than $1,200 million

in excess of the amount needed to carry on the business of the country.

It is all very well for supporters of the government to get up and point with pride to the tremendous surplus. But I submit, honourable senators, that if there is to be any pointing with pride, it should be in the direction of the Canadian taxpayers, who have made the necessary sacrifice to bring about this surplus. Certainly it is not due to any sacrifice on the part of the government. Last year when the Minister of Finance was trying to find an excuse for having taken $700 million in taxes more than was required, he said, "But the government needs that for a rainy day." But what about the individual taxpayer in this country? Has he no right to have enough of his earnings left to provide for a rainy day in his household, or for emergencies that may arise? I submit that the people in the low-income brackets in Canada today, through being squeezed between the high cost of living and the excessive income tax, have not enough left to meet emergencies as they arise.

In the Speech from the Throne the unprecedented step was taken of telling what was coming in the budget: a tax reduction was forecast. But from what I hear, the taxpayer simply regards that as a death-bed repentance that was made only because of the pressure of public opinion.

Concerning the question of expenditures, if at the end of the war the government had given any indication of practising the same economy in its national housekeeping as it expected us as individuals to do in our private housekeeping, there would have been fewer complaints. I know that all governments, when asked to reduce expenditures, have given the age-old excuse: "The greater part of the expenditure is uncontrollable, and so cannot be reduced." The Dominion Bureau of Statistics has, unfortunately for the government, rather swept away that excuse. Only yesterday I received a report from the Bureau which reads as follows:

> During the first eight months of the current fiscal year, the total ordinary expenditure of the government increased from 847 million dollars to 928·8 million dollars.
>
> In analyzing this, we find that the so-called uncontrollable expenditures were able to reduce themselves from 375·6 millions to 316·2 millions—a saving of 15·5 per cent, while the expenditures over which the government has control jumped from 471·4 millions to 612·6 millions or an increase of 30 per cent.

I do not profess to be an economist; I am just one of the ordinary taxpayers; but it is my opinion that if since the close of the war the government had undertaken a strict economy in controllable expenditures and a corresponding policy of progressive reduction of the taxes which are now falling so heavily on the lower-income groups, renewed demands for wage increases might have been avoided.

There never was a truer statement made than the one made by the honourable senator from Winnipeg (Hon. Mr. Haig) a few days ago, when he said that men and women who work for wages and salaries are not so much concerned about how much they make as they are about what is in their pay envelopes when they take them home on Friday or Saturday night. The more the government takes, the less the worker has to take home, and the more likely he is to ask for increased wages so that he may have more in his pay envelope. This condition is again reflected in higher prices for manufactured commodities. I believe that by withholding so much more money from the people than was necessary, the government is directly responsible for the continuance of the vicious circle.

With the indulgence of the house I should like to refer briefly to one paragraph in the Speech from the Throne. It has to do with what has come to be known as the "cultural omnibus resolution". As honourable senators may not have the Speech before them, I shall read the paragraph:

> It is the view of my ministers that there should be an examination of the activities of agencies of the federal government relating to radio, films, television, the encouragement of arts and sciences, research, the preservation of our national records, a national library, museums, exhibitions, relations in these fields with international organizations, and activities generally which are designed to enrich our national life, and to increase our own consciousness of our national heritage and knowledge of Canada abroad.

Well, it hardly seems enough for one commission! Perhaps, if anyone thinks of something else, it may be added. It sounds to me less like proposed legislation than the confession in the Prayer Book: "We have left undone those things which we ought to have done." No wonder the Ottawa *Journal* in commenting on the proposal very aptly said:

> Next in permanence to a senatorial appointment will be membership in this Royal Commission It ought to be made up of young men in no hurry.

Let me at once say that I am entirely in accord with the objective set out in this recommendation; every part of it is important to our national life, and I am in favour of it; but I am entirely opposed to the method by which it is to be attained. I agree that matters of national importance which are controversial and very difficult of solution,—for example the freight rates question—are fit subjects for investigation by a royal commission; but to put into the hands of a royal commission all the matters contained in the list I have read savours too much of an

evasion of government responsibility. Because our country is so scattered and contains few great centres of population, the matter of television might well be remitted to a commission; but to clutter up its proceedings with a multitude of other references is likely, in my opinion, to very largely destroy its effectiveness.

This proposed commission is to investigate the activities of agencies of the government relating to radio and films. Well, I suppose that is one way, although it may be a very expensive one, of shutting off discussion of these things in the house. Then we are to have an investigation of research,—"research," the broadest word in our language. It can include anything and everything. Has anyone the faintest idea what is meant, or how far it will extend? Also, "the preservation of our national records, a national library". For years the press and the people of this country have been urging the government to establish a national library. About two sessions ago, I believe, the matter was discussed in this house, and at that time it was stated, and the statement has not been challenged—I have checked the truth of it by reference to the librarian—that Canada and Siam were the only two countries in the world without a national library, or its equivalent in the form of state libraries which supply the people with material. It is too bad that since that discussion little Siam decided to establish a national library, so that today, in this respect, we find ourselves alone in the world. And now we are told that we have to set up a royal commission to decide whether we ought to have a national library or not. Can it be possible that Canada is so far behind all other countries in initiative that we find ourselves placed in this position.

I could go on, but I do not wish to bore you or take up the time of the house.

Some Hon. Senators: Go on.

Hon. Mrs. Fallis: I could go on to speak of the activities designed "to enrich our national life, and to increase our own consciousness of our national heritage"—presumably by contact with organizations abroad. What lovely vistas are opened up of extensive travel to find out how we may enrich ourselves culturally, because of course we shall have to go abroad to see what other nations are doing in a cultural way. Possibilities of that kind are almost unlimited. I ask honourable senators: Has anyone the faintest idea how long this commission would have to sit to fulfil these functions, or what the cost to the country would be?

I hope that when I have finished, nobody will rise to read me a lecture, such as was read in another place, on the theme that "man shall not live by bread alone", and on the necessity of enriching and encouraging the cultural and educational life of this country; because, as I said at the beginning, with all these objectives I am in complete accord, and would support anything within reason which would achieve them. But I do not consider that this proposal is within reason.

Honourable senators, what is parliament for? For what do we, or the members of the other place, receive our indemnities from the people of this country? Is it not that to the best of our ability we shall grapple with and solve the problems of this country as they arise from day to day? To me, this proposal is nothing but an evasion of a responsibility which ministers and members of parliament should assume. I except, as I have said, one or two outstanding and far-reaching questions. But some of the matters to be referred to this commission are, I believe, purely the responsibility of the ministers and of parliament, and should be dealt with as such.

If the government does not feel equal to the task, perhaps a Senate committee could be set up to deal with them. The membership of this chamber includes persons outstanding in their particular lines of activity, men of experience, of vision and of love of country. We have in this house honourable senators who are second to none in the legal profession of this country. Is there any reason why the Senate should not use some of its spare time in helping to solve these problems—with the exception, as I have said, of two or three more difficult, far-reaching, and perhaps more controversial questions, which could be left to a royal commission? I submit to you, honourable senators, that if we took a stand in conformity with this principle, we would help to justify the existence of parliament, we would be carrying out some of the duties for which parliament was constituted, and we would save the already overburdened taxpayers of this country from having more and more burdens heaped upon their shoulders.

Some Hon. Senators: Hear, hear.

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

The motion was agreed to.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Thursday, February 10, 1949

The Senate met at 3 p.m., the Acting Speaker (Hon. A. B. Copp) in the Chair.

Prayers and routine proceedings.

CHEESE AND CHEESE FACTORY IMPROVEMENT BILL

REPORT OF COMMITTEE

Hon. Mr. Crerar presented the report of the Standing Committee on Natural Resources on Bill B, an Act to amend the Cheese and Cheese Factory Improvement Act.

He said: Honourable senators, the committee have, in obedience to the order of reference of February 8, 1949, examined the said bill, and now beg leave to report the same without any amendment.

THIRD READING

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

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

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

GAME EXPORT BILL

REPORT OF COMMITTEE

Hon. Mr. Crerar presented the report of the Standing Committee on Natural Resources on Bill F, an Act to amend the Game Export Act.

He said: Honourable senators, the committee have, in obedience to the order of reference of February 9, 1949, examined the said bill, and now beg leave to report the same without any amendment.

THIRD READING

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

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

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

PRIVATE BILL

FIRST READING

Hon. Mr. Lambert presented Bill L, an Act respecting the Corporation of the City of Ottawa, Ottawa Transportation Commission and the Ottawa Electric Railway Company.

The bill was read the first time.

The Hon. the Acting Speaker: When shall this bill be placed on the Order Paper for second reading?

Hon. Mr. Lambert: Wednesday next.

PRIVATE BILL

FIRST READING

Hon. Mr. McDonald presented Bill M, an Act respecting the Dominion Atlantic Railway Company.

The bill was read the first time.

HON. CHARLES L. BISHOP

ELECTION AS HONORARY LIFE PRESIDENT OF PARLIAMENTARY PRESS GALLERY

On the Orders of the Day:

Hon. Mr. Burchill: Honourable senators, I read in this morning's newspapers that a most distinguished member of this chamber, the honourable senator from Ottawa (Hon. Mr. Bishop) has been elected honorary president of the Parliamentary Press Gallery. I am sure that all honourable senators join with me in congratulating our colleague upon the honour paid him.

Some Hon. Senators: Hear, hear.

Hon. Mr. Bishop: Thank you.

CULLERS BILL

THIRD READING

Hon. Mr. Robertson moved the third reading of Bill G, an Act to repeal the Cullers Act.

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

PENSION FUND SOCIETIES BILL

SECOND READING

Hon. Mr. Robertson moved the second reading of Bill D, an Act to amend the Pension Fund Societies Act.

He said: Honourable senators, I have asked the honourable senator from Toronto-Trinity to explain this bill.

Hon. Arthur W. Roebuck: Honourable senators, this bill, entitled an Act to amend the Pension Fund Societies Act, is just an incident, perhaps a small incident, in one of the important trends of our times—the trend towards social security. There is nothing that a human fears more in life than an age of penury or poverty under disability. Stark want in old age or sickness with disability is something we all fear, as I think we are ready to confess. So welfare schemes, pension plans and things of that kind are in the air today as never before in our lifetime, and I take it that we shall hear more of them as the years

go by. I know that labour is turning its thoughts in this direction at the present time, and the collective bargaining during this coming year will centre more around welfare schemes and pension plans than around proposals for advances in wages. I have some personal information in connection with exceedingly important and far-reaching movements for social security in line with our general proposal to make life in old age and under disability less drastic than it has been in former generations.

Just incidental to what I propose to say about the bill, I should like to call attention of honourable senators to the fact that we are budgeting for the expenditure of a very large proportion of our national income on security services. In 1948 our expenditures on such services were as follows:

Unemployment insurance...	$ 12,500,000
Family allowances.....	260,000,000
Veterans' benefits	363,000,000
Old age pensions.....	48,000,000
	$ 683,500,000

That is, last year we spent more than $683 million for taking care of people in their old age, of families with children, of veterans, and of people who were unemployed.

The Pension Fund Societies Act, which it is now proposed to amend, is a very old statute. It was first enacted by 50-51 Victoria, chapter 21, and was assented to on the 23rd of June, 1887. It has stood unamended, so far as I know, during the intervening sixty-one years; certainly it has not been amended since it was put into the Revised Statutes of Canada, 1927, where it appears as chapter 155. The Act provides a simple and inexpensive procedure whereby any two or more of the superior officers "of any corporation legally transacting business in Canada, under any Act of the Parliament of Canada" may establish a pension fund society which shall be designated as the pension fund society of the particular corporation in question.

Honourable senators will observe that the legislation is for corporations brought into being by the Dominion of Canada rather than for foreign corporations or companies incorporated under the laws of the provinces.

The procedure, as I have said, is very simple. It requires only that the officers file with the Secretary of State, and in the office of Registrar of Deeds of the locality in which the chief place of business shall be located, a declaration of their intention to form such a society. The filing shall be followed by a notice of incorporation appearing in four weekly issues of the *Canada Gazette*. That is all that is necessary to bring into being a body corporate with very important functions. The original incorporators are the provisional directors, whose duty it is to call a meeting of the society when the directors, who shall be at least five in number, are elected. All those who contribute to the funds of the society, including the parent corporation, shall have the right to vote, subject to the by-laws passed by the directors and approved by the shareholders.

Such a pension fund society has the power, by voluntary contributions or otherwise, to form a fund, and to hold, invest and administer it for the following purposes: First to "provide for the support and payment of pensions to such officers and employees . . . incapacitated by age or infirmity"—honourable senators will observe how broad the provision is, leaving details to be covered by the by-laws—and, second, upon the death of such officers or employees, to "pay annuities or gratuities to their widows and minor children or other surviving relatives in such manner as by the by-laws of the society may be specified." We have, therefore, provision for a welfare fund and a gratuity or pension fund.

The society has power to pass by-laws defining the rights of all the interested parties, including the beneficiaries, and concerning the formation, management and distribution of the fund. These by-laws are filed with the Secretary of State. The parent corporation, by a vote of either its directors or its shareholders, is given power to make contributions to the fund out of the moneys of the corporation. The interest of any member in the funds of the society are not transferable; and I take it that they are not attachable. When required by the Governor in Council to do so, the directors of the fund must file with the Secretary of State a return showing their assets, receipts and expenditures.

In view of the simplicity and apparent inexpensiveness of this procedure, and the accompanying benefits, it is remarkable that the machinery has been so little used over the long period in which it has stood on the statute books of Canada. One would have expected that it would have been made use of on many occasions. But that is not the case. As a matter of fact, since 1887 only thirteen companies have filed declarations of intention under the Act. The action taken by these concerns is creditable and, therefore,

I should like to name them and give the year in which they took action. They are as follows:

1. Eastern Townships Bank	1889
2. Bank of Toronto	1889
3. La Caisse d'Economie de Notre-Dame de Quebec	1912
4. La Banque Nationale	1915
5. Bank of Hochelaga (Name changed to Banque Canadienne Nationale)	1916
6. Royal Bank of Canada	1935
7. Canada Packers, Limited	1939
8. Canada Steamship Lines, Limited	1940
9. Consolidated Mining and Smelting Co. of Canada, Limited	1940
10. Barclays Bank (Canada)	1940
11. Canada Starch Co., Limited	1941
12. National Breweries Limited	1941
13. Bank of Montreal	1948

It will be observed that great banking institutions make up about fifty per cent of the list.

I am particularly surprised that so little advantage has been taken of this legislation in view of the fact that pension funds, when approved by the department, enjoy certain benefits and exemptions under the Income Tax Act. Most corporations and individuals spend a good deal of time studying methods of exempting their funds from the exactions of income tax law. Section 11 (1) (g) of the Income Tax Act exempts from tax:

> Amounts contributed by the taxpayer to or under an approved superannuation fund or plan not exceeding in the aggregate $900 in the year.

Paragraphs (f) and (o) of subsection 1, of section 57, exempt the taxable income of the following organizations:

> (f) a labour organization or society or a benevolent or fraternal benefit society or order.
>
> (o) a trust or corporation established or incorporated solely in connection with, or for the administration of, an approved superannuation fund or plan.

A good many plans have been and are being submitted to the income tax authorities for approval. By no means all of them are approved, because one of the requirements is that they be sound from an actuarial point of view, and another, that they qualify as real, genuine superannuation or pension funds. But if a society incorporated under this legislation satisfies the material requirements of the income tax officials, it is in line to obtain exemption in respect of its payments, and many other benefits as well. It may be that, notwithstanding the maturity—shall I say the old age maturity—of this legislation, corporations in Canada are only now awakening to the use which may be made of it.

Hon. Mr. Campbell: Are the benefits of the Act limited to a company incorporated by the Parliament of Canada, or do they extend to companies incorporated by letters patent?

Hon. Mr. Roebuck: The Act applies to companies incorporated under any Act of the Dominion Parliament, which means incorporated under the Companies Act or by special Act of the Dominion Parliament.

Hon. Mr. Campbell: It does not cover provincially incorporated companies?

Hon. Mr. Roebuck: No, it does not apply to provincial corporations at all.

Hon. Mr. MacLennan: I understand that the Canadian National Railways have a pension fund. I understand also that upon the death of the pensioner the pension ceases. Under this legislation would the widows and children of a pensioner receive any benefit from the pension fund?

Hon. Mr. Roebuck: That would depend entirely upon the bylaws of the society. Under this legislation the society is empowered to establish a fund for the payment of pensions to widows of the members of the society. The society may have other purposes, such as the payment to its members of sick benefits or annuities, which might expire with the death of the annuitant. All that depends upon the society itself. The power to extend the benefits does exist, if the society wishes to exercise it.

I was saying that perhaps only now are Canadian corporations waking up to the potentialities of this legislation. However that may be, the present amendment is brought about by the desire of a very large company in Canada, having some 8,000 employees, to form a pension fund society which will apply to all its employees. The difficulty is that the enterprise is carried on by a parent company and six subsidiary companies, all engaged in carrying on what is one business. I do not think the identity of the corporation is any secret; it is the Imperial Tobacco Company. This company has found that under the existing legislation it would have to incorporate no less than seven societies, and the directors could not be the same for all because the personnel would not be the same. Unless a man were an employee of all of the companies, he would have to be the employee of each one in turn. In any event, as the law stands, the company's pension operations would involve the keeping of seven different sets of books, seven different sets of bylaws, seven different annual meetings and so on. Such a division is not desirable. On the other

hand, it is desirable that one society, with one board of directors, one plan, and one fund shall function for the entire body of 8,000 employees. So the company has asked for the amendment which we are considering today. If the bill should pass—and I am fairly sure that it will, for I know of no reason why it should not—the Imperial Tobacco Company will probably be the first of several companies, many, I hope, having subsidiaries —many, I hope—to use this legislation to cover its entire force, whether that force be employed directly by the main company or by its subsidiaries.

I hope the bill will pass, because in my judgment it is highly in the public interest. The more people who are cared for by private plans of this kind, the fewer the demands that will be made upon public old-age pension funds and municipal relief funds, and so on all down the line; and the greater, too, will be the security, the comfort and the self-respect of our citizens of advanced age in Canada—something highly to be desired. One must not overlook the fact that, according to the statisticians, the age of Canadians is increasing. We are becoming an older nation because our people are living longer and there are fewer deaths in infancy. I speak for all, I think, in expressing the hope that this trend will continue.

The amendment itself is before you; it is very simple. A pension fund society established under the Act may admit the officers and the employees of subsidiary corporations and entitle them to the same benefits and rights as are provided under the Act for the officers and employees of the parent corporation. The subsidiary corporation, by vote of the directors only, or by vote of the shareholders, is empowered—as is the parent corporation under the original Act—to make contributions from its funds to the funds of the society. The last section of the bill contains a definition of the subsidiary company:

> In this act, "subsidiary corporation" means a corporation legally transacting business in Canada, under any act of the Parliament of Canada, the majority of the shares of which that have under all circumstances full voting rights is owned or controlled directly or indirectly by or for the parent corporation.

Both the parent corporation and the subsidiary corporations must be doing business in Canada and be incorporated under federal law. If these two conditions are satisfied, the officers of the main corporation may, by way of resolution, bring in the officials and employees of the subsidiary corporations and give them the same rights, privileges and duties as its own employees enjoy.

Honourable senators, in my judgment this is excellent time-tested legislation which, as far as I know, has never been abused. It is in keeping with the modern trend of facilitating plans and enterprises of this kind. It is certainly in line with Liberal policy and I think it is not out of line with Conservative policy.

Hon. Mr. Haig: Do not cover too much territory.

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

PRIVATE BILL

SECOND READING

Hon. G. P. Campbell moved the second reading of Bill H, an Act respecting the Globe Printing Company.

He said: Honourable senators, this bill provides for the amendment of the Act of incorporation of the Globe Printing Company, authorizing it to increase the annual value of real estate which it may hold from $30,000 to $100,000.

It may interest honourable senators to know something about the organization which publishes the *Globe and Mail*. The Globe Printing Company was incorporated by an Act of the Legislative Council and Assembly of Canada, assented to on August 15, 1866. Under the Act of incorporation the annual value of the real estate to be held at any time was restricted to $5,000. In 1892 an amending Act increased the annual value to $30,000.

The Act of incorporation of 1866 specifically provided that the corporation was constituted for the purpose of purchasing and acquiring, from George Brown, the printing establishment and business owned and carried on by him in the city of Toronto. It gave the company power "to carry on the said business of printing, publishing, stereotyping, engraving, wood-cutting, lithographing, and bookbinding, and to deal in and vend all articles of merchandise connected therewith." The capital stock of the corporation was to be divided into 600 shares of $500 each. In 1911 the capital stock of the company was increased to $1,000,000, divided into 10,000 shares of the par value of $100 each. No change was made at that time as to the value of the land that the company could hold. In May, 1938, a bill introduced in the Senate of Canada, and eventually passed by both houses of parliament, increased the capital stock from $1,000,000 to $6,000,000.

In 1936 the Globe Printing Company acquired the Mail Printing Company by purchasing its shares. At that time the Mail Printing Company owned a parcel of land at the corner of King and York Streets in

Toronto, and it is upon this site that the present Globe and Mail building is situated. The Globe Company advanced to the Mail Company the moneys necessary to construct the new building, and it has been leased by the Mail Company to the Globe Company since.

The purpose of this bill is to give the Globe Printing Company authority to hold land having an annual value of $100,000. This will give the company the power to acquire the title and ownership of the building it now occupies. If the bill is passed and authority is granted to the company to increase its real estate holding, it is proposed to transfer the property in question to the Globe Printing Company. The Mail Printing Company still carries on business but, so far as I know, does not hold any other land.

Hon. Mr. Buchanan: Did you say the Mail Printing Company?

Hon. Mr. Campbell: Yes, that is the printing business. The publishing business is all handled by the Globe Printing Company, and, as you know, the publication is distributed under the name of the *Globe and Mail.*

I do not think I can say anything further in explaining this legislation. The bill is a simple one, having just one paragraph. If I may take the time, I should like to read it. It may be that honourable senators may see fit to pass the bill without referring it to committee.

Hon. Mr. Leger: Why is it necessary to limit the value of the real estate which the company may own? Has it been getting any special privileges from the government?

Hon. Mr. Campbell: There is no special privilege or condition. The present Act restricts the annual value of the real estate which may be held by the corporation to $30,000.

Hon. Mr. Euler: What is meant by "annual value"?

Hon. Mr. Campbell: That is a legal term. It is defined in *Stroud's Judicial Dictionary.* It may be taken as the total value of the land, less carrying charges, cost of repairs and so forth.

Hon. Mr. Aseltine: It is the rental value.

Hon. Mr. Campbell: The net annual rental value, I suppose, is a fair definition of it. There is a restriction in the company's Act of incorporation providing that the company may not hold real estate having a greater annual rental value than $30,000.

Hon. Mr. Léger: Why was that restriction imposed in the first place?

Hon. Mr. Campbell: Nearly every company that is incorporated nowadays is given ancillary powers to enable it to hold sufficient lands for its requirements, and no restriction is placed on the value. But at the time the Globe Printing Company was incorporated it was probably the practice to impose a restriction. At any rate, originally the company's real estate holdings were not permitted to exceed an annual value of $5,000. This was later increased to $30,000, and the present bill would raise the limitation to $100,000.

Hon. Mr. Léger: Why not strike out the limitation altogether? I cannot see the purpose of it.

Hon. Mr. Campbell: I do not suppose the company would object very much to a declaration that it could hold real estate without restriction as to value, but I should think it would be proper to continue the practice that has been followed in this case by simply increasing the amount mentioned in the proviso. The bill is a short one, and I will read it:

> The proviso to section one of chapter one hundred and twenty-three of the statutes of 1866 of the late Province of Canada, as amended by section one of chapter seventy-five of the statutes of 1892, is repealed and the following substituted therefor:
>
> Provided always that the real estate held by the said corporation at any time shall not exceed, in annual value, the sum of one hundred thousand dollars.

Hon. Mr. Léger: I could understand the placing of a restriction of that kind on companies receiving some special privilege from parliament, such as exemption from taxation, but why should the restriction be imposed on a purely commercial company, any more than on a private individual?

Hon. Norman P. Lambert: Honourable senators, I notice in the explanatory note appended to the bill that the increase in the annual value of real estate which may be held by the corporation is necessary for the carrying on of the business of the corporation. No doubt the honourable senator who is sponsoring the bill (Hon. Mr. Campbell) would be quite willing to have some of the broader aspects of the matter presented to us in committee. I happen to be much interested in the bill for the reason that the name of the Globe Printing Company brings to my mind some very close and intimate associations, and I had not realized so fully before that the institution which is operating under that name today bears in many respects very little resemblance to the institution to which the name was originally given. But, apart from that, I am quite well acquainted with the properties that are held today under the name of the Globe Printing Company, and I find it difficult to relate the sum of $100,000

to the real value of those properties. In the circumstances I should like to know how this bill relates to the necessity of carrying on the business of the corporation. That is a point which I think should be made clear to us.

Hon. Mr. Campbell: It is not the value of the company's properties that the bill refers to, but their annual rental value. I asked specifically whether the amount was large enough to cover the properties, and I was assured that it was. The explanation given to me was that the amendment is sought for the specific purpose of enabling the Globe Printing Company to acquire the title to and ownership of the building it occupies, from the Mail Printing Company. At present the Mail Printing Company owns the building, which has been financed by a loan from the Globe Printing Company.

Hon. Mr. Euler: What objection is there to wiping out this limitation altogether and allowing the company to hold as much real estate as it may wish?

Hon. Mr. Campbell: I do not suppose there would be any objection to that, but I think it would be far better to follow the practice that has been adopted in the past, particularly since the petitioner has asked that that be done. If honourable members wish to discuss the bill in committee, I am quite willing that it should be referred to the Committee on Miscellaneous Private Bills, although I had hoped that my explanation here would be sufficient. The amendment strikes me as a very simple one. A similar amendment has been made on previous occasions, and there is nothing sinister about it. I do not think anyone can give a fuller explanation than I have given this afternoon.

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

Some Hon. Senators: Third reading?

REFERRED TO COMMITTEE

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

Hon. John T. Haig: Honourable senators, this is not a complicated bill, and I do not think the eminent wisdom of the Private Bills Committee is needed to decide whether we should increase from $30,000 to $100,000 the amount which is set as a limit to the value of the real estate that this company may hold. I doubt whether $100,000 is worth as much today as $30,000 was in 1882 or $5,000 was in 1866. The explanation of the honourable junior senator from Toronto (Hon. Mr. Campbell) has satisfied me at least—and I am considered a very stupid fellow in money matters—that what the bill seeks to do is to empower the company to hold real estate of greater value than it is permitted to hold under the present Act. The only sinister purpose that I can imagine for doing this would be to avoid income tax, though I do not know how that could be done. My honourable friend from Ottawa (Hon. Mr. Lambert) may remember the old adage: "While the light holds out to burn, the vilest sinner may return." Perhaps the *Globe and Mail* can be said to have returned, and has decided in the past ten or twelve years to change its view on life.

I am quite willing to let the bill go to committee, but it seems to me that we should try to get some bills through the house promptly and over to the other place. We should show the other house that we can pass legislation without holding it up for three or four weeks. I recall that a few years ago a bill to amend the divorce laws was introduced in this house, and a senator, now gone to his reward, refused to move its adoption for a month, with the result that it reached the other place when parliament was about to prorogue, and the bill was not considered there. Had the honourable gentleman taken the action he was urged to take, the proposed legislation would have reached the other house in plenty of time, and probably would have been passed.

It makes no difference to me personally whether this bill goes to committee or not. I only read the *Globe and Mail* once in a while, but I would say it is a very good publication; in fact, it is one of the best newspapers in Canada; it ranks with the Montreal *Star,* the Winnipeg *Free Press*—

Hon. Mr. Beaubien: No, not the Winnipeg *Free Press.*

Hon. Mr. Haig: The Winnipeg *Free Press* agrees with me on the wheat question, and any paper that goes along with me on that point is a great paper. Certainly there are honourable members on this side of the house who would be delighted to have the *Globe and Mail* investigated. I would go with my friend from Ottawa (Hon. Mr. Lambert) right back to the time of George Brown. Mr. Brown has been dead for a good many years, and I thought a fellow by the name of George McCullagh was doing a pretty good job with the paper. I am informed that he has bought out another publication.

I do not believe that it would help any to refer the bill to a committee but as far as I am concerned I do not wish to divide the house on that point. When the bill has been

fully discussed, I believe the honourable member from Ottawa will be prepared to move its adoption.

Hon. W. D. Euler: Honourable members, I do not wish my position in the matter to be misunderstood. His Honour the Speaker has named me—I suppose automatically—as seconder of the motion made by the senator from Ottawa (Hon. Mr. Lambert). I have no particular desire one way or the other on this question, and I have no criticism to offer. My point is that from my seconding it might be inferred that I believed a limit, $100,000 or $1 million should be imposed upon any corporation. I know of no such restriction on any other commercial organization in this country.

I do not quite appreciate why this bill need be referred to a committee. It may be done only for sentimental reasons. I agree with the leader opposite (Hon. Mr. Haig), that there appears to be no sinister purpose behind this measure. I have nothing against the *Globe and Mail.*

Hon. Mr. MacLennan: But I have.

Hon. Mr. Euler: For one thing, that paper always supported me in my campaign against the ban on oleomargarine. Probably that is why I am friendly towards it. I have no particular objection to the bill going to committee, but I wish to explain that it was not my intention to second the motion.

Hon. Mr. Lambert: Honourable members, if I may speak briefly to my motion, I should like to make it quite clear that I think the *Globe and Mail* is at present a good newspaper. I do not agree entirely with its editorial policy, but that has nothing to do with the point which has come up in connection with this bill. As I understand it, the Globe Printing Company is a corporation owned and operated by the *Globe and Mail,* which owns not only the property at the corner of King and York streets in Toronto, where the newspaper is presently published, but the property at the corner of Melinda and Yonge streets, where it was formerly published and also the old *Mail and Empire* property at the corner of King and Bay streets.

Hon. Mr. Campbell: Honourable members, I believe my friend is misinformed. The Mail property at the corner of Bay and King Streets was never acquired by the Globe. The ownership of that property remained in Mr. Killam. The *Globe and Mail* acquired only the printing and publishing business. The property at the corner of York and King Streets upon which the *Globe and Mail* building now stands, is owned by the Mail Printing Company. It is in the anticipation of acquiring this property that an amendment to the Act is now sought.

Hon. Mr. Lambert: May I ask my friend if the property at the corner of King and York Streets is not now operated under the name of the Globe Printing Company? I understand that it is.

Hon. Mr. Campbell: The title is owned by the Mail Printing Company, and the building and real estate are also owned by that company. The business is carried on by the Globe Printing Company, which occupies the property as a leaseholder.

Hon. Mr. Lambert: Then the only property that has been owned by the Globe Printing Company is the old *Globe* property at the corner of Yonge and Melinda?

Hon. Mr. Campbell: That is correct.

Hon. Mr. Lambert: And it is that property which is being limited to the annual value of $100,000?

Some Hon. Senators: No, No.

Hon. Mr. Euler: They could acquire more property if they wanted to.

Hon. Mr. Lambert: There seems to be some ambiguity about this question because of the involved titles in the names of the Mail Printing Company and the Globe Printing Company. If there is to be a limit placed on the value of the real estate acquired by the Globe Printing Company, I assume that the same limit might apply to the Mail Printing Company. The purpose of the bill is not clear in relation to the carrying on of the business, which is that of publishing a newspaper.

As to the purpose of the proposed amendment, the income tax feature had not occurred to me; I should think the purpose would be the opposite—having to do with the operating profits of the business. If I am correct in that conclusion, it is most important that this house scrutinize carefully any device which may be made use of by a corporation in connection with earnings from its operation. That is the real reason I should like to have further light on the matter.

Hon. Mr. Campbell: Honourable senators, in order to keep the record straight I shall attempt to make the matter of the ownership of the titles perfectly clear.

The Globe Printing Company owned the building on the corner of Yonge and Melinda Streets, referred to by the honourable senator from Ottawa (Hon. Mr. Lambert), on which was constructed a printing plant. That building was torn down and the land was sold; therefore the Globe Printing Company does

not now hold title to that land. The property on the corner of King and Bay Streets, formerly occupied by the Mail Printing Company, was retained by Mr. Killam. It has since been sold to the Bank of Montreal, which has erected a new building on the site. The property, that is, the real estate now occupied by the Globe and Mail Publishing Company at the corner of King and York Streets, was owned by the Mail Printing Company, and when the present building was erected the Globe Printing Company advanced a sum of money to assist in financing the building, but the title to the real estate remained in the Mail Printing Company, and the property was leased to the Globe Printing Company.

The purpose of this bill is to enable the Globe Printing Company, who are occupants of the building and are using it in the publishing business, to acquire ownership of the title.

Hon. Mr. Euler: Would they not have been just as well satisfied if, instead of lightening the restriction, we had wiped it out altogether?

Hon. Mr. Campbell: I would think so.

Hon. Mr. Euler: I cannot understand why that was not proposed.

The Hon. the Acting Speaker: Honourable senators, this is a very interesting discussion, but I must draw attention to No. 117 of our rules:

> Every private bill, after its second reading, is referred to one of the Standing Committees on Private Bills; and all petitions before the Senate, for or against such bill, are considered as referred to such committee.

The motion was agreed to.

PRIVATE BILL

SECOND READING

Hon. Charles L. Bishop moved the second reading of Bill I, an Act to incorporate Canadian Home Assurance Company.

He said: The Canadian Home Assurance Company has been doing business for 22 years in the province of Quebec, under the provincial insurance law. It needs a dominion charter to bring it under Dominion law, and when it gets a Canadian charter it will acquire the assets and assume the obligations of the provincial company.

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

REFERRED TO COMMITTEE

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

The motion was agreed to.

PRIVATE BILL

SECOND READING

Hon. G. P. Campbell moved the second reading of Bill J, an Act respecting Chartered Trust and Executor Company.

He said: Honourable senators, after an explanation of this bill I shall move that it be referred to the Committee on Miscellaneous Private Bills.

This is a simple amendment to change the name of the company by dropping "and Executor", so that the company's title will be "Chartered Trust Company" instead of "Chartered Trust and Executor Company". The sole purpose is to enable the company to operate under the shorter name. The amendment does not in any way change the powers or rights of the company.

Hon. Mr. Aseltine: Does its new name conflict with any other name?

Hon. Mr. Campbell: I understand that it does not.

Hon. Mr. Haig: After reading over this bill I am doubtful whether the words of the amendment would cover a situation where the company under its existing name had been named an executor.

Hon. Mr. Campbell: I think it does. The bill effects no change in the company's powers; there are many precedents for a change of this kind; and it will be noticed that section 1 provides that:

> Such change in name shall not in any way impair, alter or affect the rights or liabilities of the company, nor in any wise affect any suit or proceedings now pending, or judgment existing, either by, or in favour of, or against the company, which, notwithstanding such change in the name of the company, may be prosecuted, continued, completed and enforced as if this Act had not been passed.

The fact is that it continues to be the same company.

Hon. Mr. Haig: My honourable friend does not get my point. Suppose that by my will I have appointed Chartered Trust and Executor Company the executor of my estate: if this bill is passed have I appointed the company or not?

Hon. Mr. Campbell: Oh, yes.

Hon. Mr. Haig: Well, I am not so sure.

Hon. Mr. Campbell: It is the same legal entity.

Hon. Mr. Haig: It would be well to make sure, because the question came up in connection with the United Church of Canada Act, and the question of whether or not it affected the Presbyterian Church in Canada went to the courts.

Hon. Mr. Campbell: That would not be the case here.

Hon. Mr. Haig: It would be better to be sure.

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

REFERRED TO COMMITTEE

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

The motion was agreed to.

The Senate adjourned until Monday, February 14, at 8 p.m.

THE SENATE

Monday, February 14, 1949

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

Prayers and routine proceedings.

NEWFOUNDLAND-CANADA UNION BILL

FIRST READING

A message was received from the House of Commons with Bill 11, an Act to approve the Terms of Union of Newfoundland with Canada.

The bill was read the first time.

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

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

BANKRUPTCY BILL

FIRST READING

Hon. Mr. Copp presented Bill N, an Act respecting bankruptcy.

The bill was read the first time.

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

Hon. Mr. Copp: Next sitting.

PENSION FUND SOCIETIES BILL

THIRD READING

Hon. Mr. Copp (for Hon. Mr. Robertson) moved the third reading of Bill D, an Act to amend the Pension Fund Societies Act.

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

INDUSTRIAL DEVELOPMENT BANK BILL

SECOND READING

Hon. Mr. Copp (for Hon. Mr. Robertson) moved the second reading of Bill K, an Act to amend the Industrial Development Bank Act.

He said: Honourable senators, the honourable member from Cariboo has kindly consented to explain this bill.

Hon. J. G. Turgeon: Honourable senators, in rising to support the second reading of this bill, which is designed to amend the Industrial Development Act, I realize that it is a type of legislation which could provoke a great deal of discussion. I feel, however, that the major part of such a discussion would be in the form of questions and answers, followed by whatever suggestions might be justified by the information elicited. The honourable the acting leader of the government (Hon. Mr. Copp) has informed me that when the bill has received second reading he will move that it be referred to the Standing Committee on Banking and Commerce. For that reason it is not my intention to explain the bill at length tonight or to make any urgent appeal for its passage.

While there may appear to be a conflict between the bill and the preamble of the Act which was assented to in August 1944 in reality there is none. The objective of the Act was to assist business enterprises of a certain nature which could not secure from ordinary sources the capital necessary for the commencement of operations. This bill is designed to help smaller industries and has particular reference to them.

The proposed legislation seeks to amend section 15 of the Industrial Development Bank Act by deleting the words "fifteen million dollars" and substituting therefor the words "twenty-five million dollars." Section 15 of the Act now provides that the aggregate amount of the loans or liabilities of the bank, as respects individual loans of more than $200,000, must not exceed $15 million. This bill proposes to increase this aggregate to $25 million.

The increase in the capital cost of construction constitutes almost the entire reason for requesting this amendment. But in addition there is the fact that of the $30 million currently authorized by the bank, $13 million represent applications for loans, each of which is in excess of $200,000, and $17 million represent requests of less than $200,000 each. By reason of payments, the figure of $13 million was reduced to $11 million; but it has recently gone back to approximately $12 million. I would point out that as the bank is authorized to grant at any time $100 million by way of assistance to industrial operations, under this bill $75 million would remain to be applied completely to the smaller enterprises whose applications for credit are found to be justified and who are seeking less than $200,000 each.

To bring the record up to date I may say, speaking merely in round figures, that up to September 30, 1948, after approximately four years of operation, 1,640 applications had been made to the Industrial Development Bank for assistance. Of these applications, 586 were granted, 519 were rejected as not justifiable, and approximately 500 were withdrawn, mainly because the applicants found that they could secure assistance elsewhere. In respect of the 586 applications which were approved, advances were made to the extent

of $39 million, an amount which has been reduced by repayments to approximately $30 million.

There may be those who will question whether such a bank as the Industrial Development Bank, which is a subsidiary of the Bank of Canada, is needed. I believe that a study of the business of the bank in the last four years provides the right answer. Let me point out in this regard that it was not the purpose of parliament to make this bank a competitor of other banks or of any sort of financial institution which is prepared to give credit to industrial projects, particularly new ones. However, so many applications have been received, and so many millions of dollars advanced, that it has been found necessary to increase from $15 million to $25 million the aggregate of loans, liabilities and expenditures in respect of individual amounts larger than $200,000. These facts in themselves are a sufficient answer to any doubt as to the advisability of having started a bank of this nature and put it in a position adequately to carry on its functions.

I will not detain you longer. I would simply add that it gives me great pleasure to say these few words in favour of this bill, which is designed to amend the Industrial Development Bank Act in such a manner as to permit the bank to lend an aggregate of $25 million in loans of over $200,000 each, instead of being restricted to $15 million, as it is now. As a member of the Senate I appreciate the statement of the leader of the government (Hon. Mr. Robertson), and the honourable senator who is acting for him this evening (Hon. Mr. Copp) that when the bill has received second reading a motion will be made to refer it for further study to the Committee on Banking and Commerce.

Hon. John T. Haig: Honourable senators, I am not at all sure that this bill should be passed. What we are doing is, in effect, pledging the people of Canada to lend new businesses about $100 million. Anybody starting in business who wishes to borrow money and who is a good risk can go with reasonable confidence to the chartered banks. I should think that the chartered banks would be among the foremost to welcome legislation of this kind. I am neither a director nor a shareholder of any bank, nor am I in the confidence of one; but were I the president, a director or a shareholder of such a bank I would hold up both hands for this bill. Human nature being what it is—and it is always the same—when a man or woman who wants to borrow money for capital investment cannot get it for lack of assets to justify the loan, how convenient it will be for a bank official to be able to say, "Just cross the street to the government bank, and they will give you all you want."

Hon. Mr. Copp: Are you sure of that?

Hon. Mr. Haig: Yes, that is human nature.

Hon. Mr. Copp: But will they lend all the money anybody wants?

Hon. Mr. Haig: Well, they have done pretty well along that line. Remember, we have been passing through the most prosperous times this continent has known for many years: at any rate we have been disposing of our goods to people who are willing to buy them to any amount so long as we lend them the money, although as soon as we stop lending the jig will be up. High income taxes in this country are drying up the pool of private funds available for investment, and will reduce it more and more in the future. Heavy taxation of corporations has made it very difficult for them to expand. An accumulated reserve of a hundred thousand dollars, a half million dollars, or any other amount was really income, but the minute it was distributed it became taxable in the hands of the shareholders.

The government recently amended the law to limit the taxation on distributed reserves, and thereby admitted that the existent heavy taxation was drying up investment funds. Today, although frantic attempts are made to obtain money for new industries, individual investors will not respond. They put their money into well-established dividend-paying industries whose assets represent many times the money needed, but other enterprises cannot get new capital. Look at the trend of the stock market in the last six months. Consolidated Smelters has fallen from 128 a month ago to 105 or 106 today; Hudson Bay Mining, which sold at 58 a few weeks back, is now quoted at 47, and so on all down the list. What largely accounts for this decline is our heavy taxation, which has prevented or discouraged the influx of new money into capital investment, and thus has created the condition which is sought to be met in this legislation.

It is also to be remarked that in spite of the long experience of our chartered banks, and their practice of engaging men of high ability, who understand the principles of investments and loans, they invariably suffer tremendous losses in times of depression. I know of one bank that lost millions of dollars in the province of my honourable friend from Rosetown (Hon. Mr. Aseltine) through the failure of investments which, when they were made, were believed to be sound. The Industrial Development Bank will find itself taking over what I may call the "left-overs"—advancing money to beginners in business. Of course, one always hopes they will succeed,

but they will not; they never have done. Only one boy in a hundred who have gone to school in any village, town or city in Canada has ever succeeded in business, the rest have fallen by the wayside. Those who have fallen by the wayside are the ones who come under this regulation. And who is running the business? Untrained men are in charge of it. It is the Bank of Canada and its directors. Anybody can run the Bank of Canada. A junior in a chartered bank could handle that job. All the bank does—I have always suspected that it was one man—is to decide what the trend is. During the last year the Industrial Development Bank lent $39 million and it now has only $30 million out. Why does it need authorization to lend more money? I predict that within the next five years we will hear honourable members of this house explaining—and I expect to live long enough to hear them—just what happened and why we lost money. For six or seven years the Manitoba government, claiming that the farmers were the backbone of the country, lent them money. I was one of those who stood up in the legislature and challenged what was proposed. I said it was all a mistake, and we lost everything because the cost of collection was greater than the amount collected. There was no profit at all, and the government was forced out of the business.

We have a farm-loan system in Canada, and the only reason the country has had no trouble yet is that the lending started when money values were low. That is, loans of $10 an acre were made on lands valued at, say, $20 an acre. Today those lands are worth $30 or $35 an acre. But wait until values start to go down, as they always do eventually. The Americans, who are authorities on ups and downs of real estate, will tell you that every eighteen years real estate climbs in value and then descends. That is the cycle. This has been true in my fifty years' experience in Manitoba. If you are wise, a bit lucky and buy at the low point, and then sell at the high point, you make a lot of money. But the money to be lent under this bill will be lent at a high point, caused by the billions we have loaned to the world. The United States have done the same thing and are commencing to howl already. They say that the minute any commodity is surplus, they will not buy it. What will we do with our wheat, flax, potatoes, honey, eggs and all those commodities? We will not be able to sell them, and the beginner who borrowed money will be bankrupt, and the government will lose its dollars.

Hon. Mr. Lambert: Will the honourable senator permit a question? By what remote connection can he trace the price of eggs, honey, and so forth, to the Industrial Development Bank?

Hon. Mr. Haig: Because the industrialists sell their goods to the people who produce potatoes and eggs and honey, and to nobody else. I put it to my honourable friend from Blaine Lake (Hon. Mr. Horner): Is it not so that you pay twice as much for farm implements now as you paid thirty or thirty-five years ago.

Hon. Mr. Horner: I pay three times as much now.

Hon. Mr. Haig: I was not going that far, but I remember my father buying a Massey-Harris machine for $153 which costs about $400 today.

Hon. Mr. Beaubien: It is a better machine now.

Hon. Mr. Haig: It is not a bit better.

Hon. Mr. Horner: It is not nearly as good now.

Hon. Mr. Haig: I shall not argue whether it is better or worse. Those are the facts. When farmers cannot sell their commodities, industry must cut down its production. That has happened before, all over the world. The minute the buyers, who are usually the producers, stop purchasing, industry fails. This legislation is to build and hold up enterprise, but we do not need it at all. If our chartered banks will not lend the money, then it is our duty to legislate to compel them to do so, if it is safe; but I have never heard of anybody who wanted to invest his money for very long in the kind of institution that this bill is to help.

Honourable senators, I am quite willing that the bill go to committee, because there is no sense in dividing the house; but I am definitely opposed to the government getting involved in private industry and private business—and that is what it is doing here. I believe in private enterprise in all its branches, and in regulating industry so that it will benefit everybody. Under this measure the government is taking the place of the banks which should lend the money. Every time this is done more of the country's assets are written off. Manitoba is a perfect illustration of this, and I venture to say that every province which has entered into the money-lending business will tell the same story in time.

Hon. J. J. Kinley: Honourable senators, it is not often that I agree with the honourable leader of the opposition (Hon. Mr. Haig), but I recall that I was a member of the Banking and Commerce Committee of the other place when it discussed the original bill which my honourable friends hope to amend. If I remember correctly, the bill was designed to help small industries. It provided for the

lending of money in cases in which an institution that would not expect to make a loss would not be justified in making an advance. I do not like this legislation, because it brings uneconomic institutions into competition with sound industry. When it is considered that the government is the biggest partner in industry—it takes at least 35 per cent of the profit in taxes—it seems to me that it is not in the interest of business or government to bring uneconomic forces into industry at the present time. I still feel that the Industrial Development Bank might help a deserving person who was short of capital and who wanted to tide over a difficulty. However, as I understand it, the proposed bill authorizes an increase up to $200,000 in individual loans. Now, will anybody tell me that a loan of $200,000 to one person is not big business? If any man in this country is entitled to such a loan it seems to me that he should be in a position to stand on his own feet.

Honourable senators, I think that this amendment is being introduced into this house primarily because it has not gone through committee in the other house. I think we should give it careful consideration. I am told that in Nova Scotia industries that got substantial loans from the Industrial Development Bank have been shut down. Their last condition is worse than their first. This legislation creates unemployment and defeats the very object for which it was intended. I supported the original bill when it went through the other house, because I felt that conditions were such that some provision of this nature should be made for smaller industries. It seems to me that to amend the Act now to make it applicable to big business would tend to destroy the very thing for which the Act was passed, and would not be good for financial and industrial stability or the progress of the country.

Hon. Cyrille Vaillancourt: Honourable senators, the purpose of this legislation is to help little industries. I recall an incident which illustrates that. One day after the war there came into my office a representative of a small industry near Quebec. As a result of the war his company was in bad shape and had applied to a bank for a loan of $50,000; and although the company's building was valued at more than $100,000 the bank had refused the loan. I believe, although I am not sure, the reason for the bank's refusal was that this little concern was competing with a big organization, and that some of the bank's directors were closely connected with that organization. The small industry was helped by the Industrial Development Bank and is now doing a good business, and prosperity has come back to the little town where the company is located.

Hon. Mr. Kinley: This bill would authorize loans up to $200,000.

Hon. Mr. Aseltine: This amendment is to help big industry.

Hon. Mr. Vaillancourt: No, it is not.

Hon. Norman P. Lambert: Honourable senators, I think it is only fair to recall the conditions under which the Industrial Development Bank Act was passed. It is a misrepresentation to suggest that the purpose of the Act is to support big industry. The Act in its very essence and from the time of its origin was intended for the support of small industries commandeered into action during the war, and which produced large supplies of very necessary war materials. They had capital expenditures advanced to them, and under the regulations of the War Contracts Depreciation Board were enabled to write off through depreciation and out of profits the cost of their plant expansions in three years or more. I know of several such industries. When the war ended they were left with expanded plants and no capital at all on which to operate. This legislation was introduced for the purpose of supporting justifiable industries in that class that had done their part in this country during the war, and there was never any suggestion at all that it was to be used for supporting big industries. Under the Bank Act the chartered banks are not permitted to make loans on terms suitable to these small industries, and it was that point of view which prevailed upon the Banking and Commerce Committee when this Act was approved.

Whether or not the bank should be permitted to increase its accumulated loans from $15 million to $25 million is a question that can be decided after the bill is considered by the Banking and Commerce Committee. But to say that this legislation should be done away with because it is serving the interests of big business is surely partisan interpretation of the worst kind, and I resent it, for I was one of the members of the Banking and Commerce Committee who supported the original measure when it was brought in for the very legitimate purpose of helping worthy industries that were unable to get help from the chartered banks.

Hon. Mr. Horner: If they have a legitimate basis for a loan, why can they not get help from the chartered banks?

Hon. Mr. Lambert: My honourable friend is a good business man, and he ought to know that the chartered banks are restricted to making current commercial loans. The

loans desired by small industries such as I have been referring to are of the intermediate type, which extend over a longer period.

Hon. Mr. Horner: To my mind this is another piece of socialism. Even our socialistic government out in Saskatchewan is closing plants that it started, but the government here is still practising socialism. That is what this is.

Hon. Mr. Lambert: My honourable friend's interpretation of socialism is different from mine, if that is what he thinks about this bill.

Hon. Mr. Haig: That is what the public thinks too.

Hon. Mr. Horner: It is giving away people's money.

The Hon. the Speaker: Honourable senators, the motion is for the second reading of Bill K, an Act to amend the Industrial Development Act. Is it your pleasure to pass the motion?

Hon. Mr. Haig: On division.

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

REFERRED TO COMMITTEE

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

The motion was agreed to.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Tuesday, February 15, 1949

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

Prayers and routine proceedings.

NEWFOUNDLAND-CANADA UNION BILL

SECOND READING—DEBATE ADJOURNED

Hon. Mr. Copp (for Hon. Mr. Robertson) moved the second reading of Bill 11, an Act to approve the Terms of Union of Newfoundland with Canada.

He said: Honourable senators, I regret exceedingly, as we all do, the absence of our leader (Hon. Mr. Robertson), who was prepared to present this bill and explain it on the motion for second reading. But little needs to be said about the bill by me, for we all know what it contains and what is its object. I am going to try to present as nearly as I can the statement that our leader had intended to make in explanation of the bill.

On the 11th of December last an outstanding historical event took place in this very chamber, when the proposed terms of the union of Newfoundland with Canada were signed. It is my honour to ask the Senate to make these terms of union part of the constitution of Canada, and to complete the original geographical conception of this nation.

These terms of union do not ask us to make any novel change in our ideas of Canada's nationhood. They are a concrete embodiment of what has long been a part of our historical hopes for Canada. Ever since we began to study Canadian history we have hopefully thought of Canada as ultimately including Newfoundland.

This inheritance of hope has been passed on to us by the Fathers of Confederation. Two members from Newfoundland attended the Quebec Conference in 1864. Although they helped to frame the resolution upon which the British North America Act was based, they did not go to Westminster to consider its drafting. They were, nevertheless, in the thoughts of the people who were there, and provision was made for the entry of Newfoundland in the same terms as those that provided for Prince Edward Island. In 1869 those people on the Island of Newfoundland who were interested in union with Canada, caused an election to be held on that question. The pro-union forces were decisively defeated. Again in 1895, with Newfoundland in serious financial straits, negotiations were resumed between the two respective governments. However, no agreement could be reached by the negotiating parties, and no recommendations were made to either side.

Newfoundland's history flowed with ours again in 1914, when she became involved in the first Great War. The island made heroic sacrifices from her limited resources. The war saw at least a temporary end to her pressing financial problems. She was able to carry on without crisis until the full force of the depression struck in the 1930's. Newfoundland, like ourselves, depends largely on external trade for her livelihood, and she is extremely susceptible to any changes in world markets.

The government of Newfoundland requested the government of the United Kingdom to make an investigation of the island's problems. A commission was appointed on this recommendation. This commission advised that the government of the United Kingdom should assume the financial obligations of Newfoundland, and that the constitution of the island be suspended and that a commission government be set up in its place. A further recommendation of the commission was that when the financial difficulties were overcome the constitution should be restored.

The second Great War again found Newfoundland fighting alongside Canada. She made great contributions, to the fighting forces of both this nation and those of Great Britain. Although Newfoundland's position improved greatly before and during the war, the technicalities of restoring her constitution had to be forgone in the face of the great struggle. At the end of the war the commission government was possessed of a surplus of $70 million.

A national convention of Newfoundland was called in 1946 for the purpose of determining the wishes of the people of the island respecting the form of government to be adopted. Delegates from this forty-five man convention were sent to interview the Government of the United Kingdom. A similar delegation was appointed to approach Canada as to terms that might be obtained from her in the event of an overture for union. This delegation arrived in Ottawa early in June of 1947. It was headed by Mr. F. G. Bradley, K.C., and the other delegates were Mr. T. G. W. Ashborne, Rev. Lester L. Burry, Mr. G. F. Higgins, K.C., Mr. Charles H. Ballam, Mr. P. W. Crummey, and Mr. J. R. Smallwood. The discussions which followed resulted in a statement of terms being prepared by the Canadian Government and forwarded to the

Governor of Newfoundland by the then Prime Minister, Right Honourable W. L. Mackenzie King, and these terms were considered by the convention on the assumption that they were the terms which the Government of Canada would recommend to its parliament, if the people of Newfoundland decided that they wished to become a partner in our confederation.

There was a motion placed before the Newfoundland National Convention that the question of joining Canada should be placed on the proposed referendum ballot. The motion was defeated by a vote of 29 to 16, the delegates deciding that the referendum should be only on the questions of responsible government or the continuation of commission government. Following this, petitions were circulated about the island asking that, in addition, the question of joining the Canadian confederation be placed on the ballot. The Government of the United Kingdom still had the responsibility for the affairs of the island, and it decided that the question of joining Canada should be included as one of the three questions to be submitted to the electorate of Newfoundland.

The first referendum was held on June 3, 1948. There was no over-all majority for any of the questions on the ballot. The registered electorate numbered 176,297; of these, 155,777 voted. Responsible government received 69,400 votes, or 44·55 per cent of the total; union with Canada received 64,066 votes, or 41·13 per cent; commission government received 22,311 votes, or 14·32 per cent.

As a result of this stalemate, a second referendum was held, and the question of commission government—it having previously received the lowest number of votes—was dropped from the ballot. In the second referendum the total votes cast numbered 149,657; of these 71,334 were for responsible government and 78,323 for confederation. Thus confederation received a majority of 6,989 votes, or 4·68 per cent of the total. Further, confederation received a majority in 18 out of the 25 electoral districts from which members had formerly been elected to the Legislature of Newfoundland.

After the second referendum, Right Honourable W. L. Mackenzie King, the then Prime Minister, stated that he and his government would welcome authorized delegates of Newfoundland to discuss terms of union with Canada. He stated that the basis for the discussions would be his letter and supporting documents which had been sent to the Governor of Newfoundland on October 29, 1947, and to which I have already referred.

The Right Honourable Mr. King also stated, at the same time, that the result of the referendum was clear and left no doubt that the people of Newfoundland were in favour of confederation.

On October 6, 1948, discussions were opened here on the final terms of union. A delegation was appointed by the Newfoundland Government. It was headed by Honourable A. J. Walsh, K.C., now Sir A. J. Walsh, and the other members were Mr. F. G. Bradley, K.C., and Mr. J. R. Smallwood—both of whom had been members of the first delegation in 1947—Mr. Chesley A. Crosbie, Mr. Philip Gruchy, Mr. J. B. McEvoy, K.C., and Mr. Gordon A. Winter. The negotiations were concluded in this chamber on December 11 last; and it is fitting that the formal signing of the agreement should have taken place in this house, which stands as the guardian of the provinces. At the time of signing, the Prime Minister, Right Honourable Louis S. St. Laurent, paid fitting tribute to the efforts of his predecessor, the Right Honourable W. L. Mackenzie King, to bring about this union, for it was he who had most of the responsibility in starting the Canadian negotiations.

It is the hope of those who have been actively engaged in these proceedings that they will be facilitated in order to allow Newfoundland's entry into confederation on March 31 next. The agreement requires, first, that it be ratified by the Canadian parliament and the Newfoundland government; only then can it be confirmed by the Parliament of the United Kingdom, for it is impossible for that body to pass a statute affecting Canada unless it is requested to do so by both houses of the Canadian parliament. The result of all this legislation and discussion will be an Address of this House to His Majesty, which, together with a similar address passed in the other place, will request His Majesty to place the appropriate legislation before the Parliament of the United Kingdom.

The terms of union provide that the legislation respecting Newfoundland shall remain in effect until it is repealed or modified by the appropriate body under the division of powers in the British North America Act. It is proposed that the existing laws of Canada shall not all apply to Newfoundland as soon as she enters confederation, but will be applied gradually by proclamation of the Governor General.

It was originally provided by section 146 of the British North America Act that upon joint addresses from both Houses of Parliament of Canada, and from the Legislature of Newfoundland, Newfoundland could be admitted into confederation on an order by—as it was then—Her Majesty the Queen. However, Newfoundland's subsequent loss of responsible government has made this impossible. Further, no longer does His Majesty, on the

advice of his ministers responsible to the Parliament of the United Kingdom, exercise the royal prerogative over Canada. Neither can we do this ourselves, as the United Kingdom is still responsible for Newfoundland under the present commission government.

The proposed procedure, which I have outlined here, follows generally that adopted when the western territories of Canada were admitted as provinces of the dominion. We have adopted that procedure in this case because it leaves no doubt that what has been done is beyond successful contestation before the courts.

In making this motion, honourable senators, I feel that we are on the verge of a historic event which we trust will be advantageous both to the new province in our confederation and to Canada itself.

Some Hon. Senators: Hear, hear.

Hon. John T. Haig: Honourable senators, this is an historic occasion and one which was looked forward to even prior to 1867. When we come to discuss the resolution, differences of opinion may arise; but in the meantime I am going to support the second reading of this bill, as I hope every member of this house will do.

Since 1864 our constant ambition as Canadians has been, irrespective of the difficulties that Newfoundlanders may have seen in it, that Newfoundland should become part of Canada. I may say quite candidly that if I were a Newfoundlander I would find it difficult to be very enthusiastic about this legislation. I recall from history that a year after Nova Scotia and New Brunswick entered Confederation, their respective governments, who were responsible for what had happened, were decisively defeated at the polls. I remember well that just a year or two ago the honourable leader of this house (Hon. Mr. Robertson) said that on July 1 many Nova Scotians hung out the flag of Nova Scotia instead of the Union Jack. I can understand the feelings of Newfoundlanders. They feel they are now a sovereign people, and fear that when they join Canada they will become merely a province. I think they are wrong in that view. When they join Canada they will become an even more sovereign people—they will become part of our people.

Some Hon. Senators: Hear, hear.

Hon. Mr. Haig: We shall welcome them with all our hearts. When I look at the map and think of present world conditions, I feel that I should like to see Newfoundland a part of Canada. When we were young men, prior to 1910 or 1912, it never occurred to us—it never did to me, at least—that there would ever be any world trouble involving war. Then came the war of 1914-18. Although at that time a few submarines came close to our shores the war did not seem very near to us. Had Newfoundland been a neutral country or belonged to a nation not involved in the war, it might have proved a great handicap to Canada's war effort in Europe. But because of the development of the airplane, the war of 1939-45 brought home to us clearly that Newfoundland is a vital part of our defence. In this respect alone Newfoundland becomes an important adjunct to Canada.

The only criticism I have ever had to make of Great Britain is that when she negotiated the boundaries between Quebec and the United States, she permitted the arbitrators to put part of the United States away up into Canada. I have always felt hostile about that. Then, when I go to the Pacific coast and travel by boat from Vancouver to Skagway, after passing Prince Rupert I run into a strip of American land along our coast. That was another matter of arbitration that went wrong. Those two things have confirmed me in the feeling that Newfoundland should be a part of Canada. I do not want Newfoundland to be Canadian territory: just because it is reported that iron and other natural resources are to be found there. Some of us may be interested in those natural resources, but most Canadians really feel that Newfoundland is part of Canada; that her people think and believe as we do, and cherish the same love of freedom and religion that we do. Canadians feel that geographically Newfoundland should be part of this country.

Some Canadians may shake their heads and argue that we are paying a large sum of money for something, and shall never get it back. I do not know, because I have not the facts. Then, too, many people from Newfoundland may argue that when their natural resources are developed their island will become one of the greatest storehouses of natural wealth in Canada. This may be true, but I really do not think it enters into the picture. Be that as it may, it is only a small matter when you consider the life of a nation. I know a young man who was born in Newfoundland. He graduated from Dalhousie University, Pine Hill, Divinity Hall, a New York seminary, and finally with distinction from the Edinburgh theological university. He went to a wonderful church in California. I may tell my honourable friend from Thunder Bay (Hon. Mr. Paterson) that it was a Presbyterian church. When they took up a collection in that church to raise, say, $20,000, the congregation would put up about $5,000. Then a certain lady would ask how much was raised, and when she was told that $15,000 was needed she would say: "All

right, I shall send a cheque tomorrow." I am not suggesting that the honourable senator from Thunder Bay (Hon. Mr. Paterson) should do that—

Hon. Mr. Farris: Why not?

Hon. Mr. Haig: —but I cannot help thinking it is possible. That young man left California and came to a church in the city of Winnipeg. At present he is in one of the largest churches in Toronto. If he is a sample of a Newfoundlander, Canadians will have to "go some" to hold their own with them. Newfoundlanders who have received their education in the Maritime provinces, and who have settled there and in other parts of this country, have proven a credit to themselves, to Newfoundland and to Canada.

An Hon. Senator: Some of them will be coming to the Senate.

Hon. Mr. Haig: We shall certainly welcome them when they come.

I do not intend to go into the details of the bill. I want to compliment our present Prime Minister and his associates on the time, attention and care they have given to the drafting of the agreement. I have read it, and I am in full accord with the full settlement made. As the leader of the Progressive Conservative party in this chamber, and as a Canadian, I welcome the people of Newfoundland to Canada. In twenty-five, fifty or a hundred years from now the people of Canada and the members in this chamber —somebody has said that the Senate is going to be abolished but I think it will still be here—will remember the day when Newfoundland joined confederation as we now remember the confederation of 1867. When we first started to discuss the problems in connection with Newfoundland joining the Dominion of Canada we realized what the Fathers of Confederation had had to deal with.

I do not think that I should discuss this matter any further. I am not touching on —the legal question. If there is a legal question, it is involved in the resolution, and I agree with the procedure that has been taken in another place. We are dealing here, as Canadians, with a contract made on behalf of our country with another country. Do we agree with that contract? Is it a good contract for Canada? If we look at it from the money viewpoint, I think it is a good contract for Canada; and from the most important viewpoint, the real viewpoint, there is even more to be said for it. At heart the people of our country need the people of Newfoundland to join with them as part of one dominion; and as a united country we can offer the young men and young women of the island opportunities that they have never had before.

On behalf of the Progressive Conservative Party in this house, I welcome the people of Newfoundland. I hope this bill will become law and that they will become part of Canada.

Hon. J. W. de B. Farris: Honourable senators, I am conscious of the fact that there are senators residing closer to Newfoundland than I do in British Columbia who may feel that they should precede me in following the honourable leader of the opposition. But, I venture to catch the eye of His Honour the Speaker, with the idea in mind that it might not be inappropriate for me to speak at this time. It was, I think, proper that on this great occasion—for I agree with my honourable friend opposite that it is a very important historical occasion—the motion for second reading of the bill should have been made by one who comes from the Maritime Provinces, down by the sea; and it so happens, by an accident which we regret but which has this one fortunate result, that the speech made in explanation of the bill combines the sentiments of both the leader (Hon. Mr. Robertson) and his associate (Hon. Mr. Copp), the one from Nova Scotia and the other from New Brunswick. It was also fortunate, for two reasons, that my honourable friend the leader of the opposition (Hon. Mr. Haig) should follow: one reason being that he speaks on behalf of the Progressive Conservative Party; and the other, that he is a representative of the great central part of Canada. I have taken it on myself to assume, as I said at the beginning, that the next word would not inappropriately come from myself, as a representative of the West, so that the sentiment of the people of Canada from the Atlantic to the Pacific might be expressed at this time in unqualified approval of Newfoundland's becoming the tenth province of Canada, this great dominion which has existed now for eighty-two years.

Before I discuss some of the general principles, as I shall do very briefly, there are some details which might well be mentioned at this time. My honourable friend opposite said that if the bill went to committee the detailed points could be considered then, but some of them were discussed in the other chamber, and as they are in the public mind, both in Canada and in Newfoundland, there is no reason why we should not at least touch upon some of them here. One of the matters mentioned in the agreement with Newfoundland has been discussed in the Senate before, as my honourable friend from Waterloo (Hon. Mr. Euler) will recall.

Hon. Mr. Euler: It has been discussed several times.

Hon. Mr. Farris: I refer to oleomargarine. It has been said, apparently on behalf of the Progressive Conservative party, that the provision respecting oleomargarine should not have been in the agreement. It is section 46, and it provides that while oleomargarine may lawfully continue to be manufactured in the new province of Newfoundland, it shall not be sold in any other province contrary to the law of Canada. It has been objected that owing to a decision by the Supreme Court of Canada this provision should not be in the bill now, and that its being there will establish a precedent. I admit, honourable senators, that as a result of the Supreme Court's decision the necessity for this provision is not so clear as it was before the decision was given; but I do object to the suggestion that the progress of the negotiations between the two countries should be checked by a modification of this agreement on that ground. And particularly do I object to the suggestion that this provision in the bill will create a precedent. It is now almost thirteen years since I came into the Senate, and I get very tired of hearing it said—not merely by my honourable friends opposite but by departmental officials to whom one has to go on behalf of one's constituents, as well as pretty nearly every minister that one has to consult about questions where there seems to be injustice—"Oh, yes, you have made out a good case, and we admit the injustice; but we cannot possibly do anything about it, because that might create a precedent." I did hope, honourable senators, that if the party of my honourable friends opposite came into office—I never considered the danger very imminent—they would change their viewpoint with regard to the risk of precedents; but apparently that viewpoint is going to stay with us, no matter which party is in power.

Seriously, honourable senators, looking at this section on its merits, I cannot see in it any risk of a precedent. At the time it was inserted it seemed that failure to insert it would be a real obstacle to confederation with Newfoundland. Precedents govern only when similar cases arise, and I cannot see how a provision based upon special circumstances relating exclusively to a country about to become a new province could have any effect on the general law of Canada that there shall be a free exchange of trade between the provinces.

Here is another matter which perhaps technically is a detail that could be considered in committee, but that nevertheless refers to the general principle of the bill. In the remarks of the honourable leader of the opposition I detected a suggestion that when the resolution is moved in this house a legal question might arise. I take it that he has in mind the constitutional question of whether or not the provinces should be consulted before the request is made to the British parliament to amend the British North America Act. May I suggest to my honourable friend that it seems to me that if that question has any justification or importance, the time to consider it is right now, when we are dealing with the agreement itself. I say that if in the last analysis this matter is shown to be one about which the provinces are entitled to be consulted, they should have been brought into the conference at the very beginning. When I speak of "the provinces" I mean the provinces as distinct from the dominion, for of course both this house and the other house are composed of representatives of all the provinces, and those provinces are all being considered in both houses at the present time.

Some Hon. Senators: Hear, hear.

Hon. Mr. Farris: The suggestion is made that the provinces should be consulted separately as individual units. Well, if there is any logic in that suggestion—and I do not believe there is—they should have been called in on the negotiation of the agreement. If the provinces should have been consulted as a matter of constitutional right, and if objection by any of the provinces would block legislation by the Imperial Parliament, then it seems to me that they should have been considered and brought into the conference from the very commencement. Of course no one seriously suggests that this should have been done.

This criticism is part of a wider campaign that is being carried on in certain provinces concerning the constitutional rights of the provinces. I have heard it suggested that if the Dominion Parliament asserts the right to ask the Imperial Parliament to amend the British North America Act in connection with matters that are purely national in character, a precedent is thereby created and that there is no guarantee that parliament may not go further and ask for amendments to the constitution that affect the rights of individual provinces and minorities. I say, sir, that without any question that is a mischievous doctrine to preach in the Dominion of Canada. It is mischievous for at least two reasons. First, when in the history of the dominion has any government seriously suggested that parliament, or the representatives of each and every province in Canada, would seek to interfere with the rights in language, religion or any other matters pertaining to the minorities? Has it ever been suggested by a responsible party or a group in parliament

that the Parliament of Canada would ever ask the Imperial government to pass legislation amending the British North America Act in such a way as to interfere with the rights of minorities? There can be no greater guarantee of the preservation of those rights than the individual honour and integrity of the people of Canada, of every race and religion. In addition, should this unthinkable procedure be adopted at any time, I know of no precedent by which we could expect the Imperial Parliament—so long as any responsibility is imposed in that body—to heed a majority voice in this country asking for amendments that would affect, not matters of national concern, but only provincial and minority questions. Honourable senators, it is unfortunate that any suggestion of that kind has ever been made in Canada. The best answer to it is the unity of Canada, the spirit of the Canadian people, and the attitude of the Imperial Parliament, all of which show that such a thing has never been thought of and would never be tolerated.

Question has been raised about the tax agreement provisions between Canada and Newfoundland. Apparently there are two provisions concerning income tax and other matters—first, that Newfoundland may accept an offer from the dominion on the same terms as those on which the other provinces have accepted; and second, that when the special offer has been made to Newfoundland it may enter into a contract for a period of, I think, eight years. If Newfoundland chooses to enter into that contract it will be binding for that term, regardless of any deal made with any other province. The question has been asked: Why discriminate against Newfoundland? Honourable senators, there is no discrimination against Newfoundland. There are provisions today whereby the provinces have agreements with the dominion for three years, and if a change is made with any one province the others are entitled to the same consideration. Newfoundland also is entitled to that same consideration. She will have the opportunity of accepting on the same basis as the other provinces. In addition, another proposition has been made to Newfoundland. If she wishes, she may make a special bargain for a longer period of time, but by adopting this alternative she must expect to be bound by it. It therefore follows, not that Newfoundland is discriminated against, but rather has secured for herself a special offer, if she wishes to accept it.

Comments have been made in Canada about the procedure by which that country has been authorized to enter into this agreement, and we are not unmindful of remarks made about it in Newfoundland. But that matter does not immediately concern us in Canada, except to this extent. My honourable friend from New Brunswick (Hon. Mr. Copp) has referred to the province of Nova Scotia, and we all know that that province was rather hustled into confederation against her own wishes. But it has not turned out to be such a bad arrangement. The Liberals no doubt seriously criticized Sir Charles Tupper for what has been said to be his high-handed method of bringing Nova Scotia into confederation. I think that all Canadians will now agree that if Nova Scotia could not have been brought in any other way, it was a good thing that that method was taken. I am sure that all of Canada is today very glad and proud that Nova Scotia is part of the Canadian confederation.

I believe, however, that we would be most reluctant at this time to feel that any high-handed measures were taken by this country, or by any group in Newfoundland or the British Government, to force that ancient colony, the oldest of all the North American colonies, into confederation. By a free and uncontrolled vote of all the electors of that British community, a substantial majority have declared their wish to join with Canada, and I think that we can feel entirely free to accept them on that basis.

My honourable friend mentioned something about the new senators that are to come to this house, and indicated that they would be six in number. Speaking as one from British Columbia, I may say that we are very glad to learn that there are to be six senators from Newfoundland. We have not the least criticism of that proposal, but there will come a time in the affairs of this country when British Columbia will have something to say about her small Senate representation in comparison with her population, and the representation of other provinces, entirely apart from Newfoundland.

Those, honourable senators, are the only observations I wish to make of a special nature. I do feel that every senator who speaks should take advantage of this occasion to comment on the great and historic significance of the use of parliament in bringing about this confederation. It is eighty-five years since, in 1864, the representatives of the British Colonies on the North American continent met in the city of Quebec at the Quebec Conference. As my honourable friend from Westmorland (Hon. Mr. Copp) has reminded us, Newfoundland was represented at that conference. It was as a direct outcome of that meeting that the British North America Act was passed three years later. At that time only four provinces, namely Nova Scotia, New Brunswick, Quebec and Ontario joined Confederation; but the

latchkey was hung outside the door for the entry of others. I call attention to section 146 of the British North America Act:

It shall be lawful for the Queen, by and with the Advice of Her Majesty's Most Honourable Privy Council, on addresses from the Houses of the Parliament of Canada,

Not from the provinces of Canada, but from the two houses of parliament.

and from the Houses of the respective Legislatures of the Colonies or Provinces of Newfoundland, Prince Edward Island and British Columbia, to admit those colonies or provinces, or any of them . . .

So, in the British North America Act itself it was recognized that Canada looked forward to other provinces coming into confederation, and that the procedure by which that should be accomplished, so far as Canada was concerned, would be on an Address of the two houses of parliament.

Two years later, in the general election which followed, Newfoundland in its wisdom defeated the party that advocated confederation. The whirligig of time has now brought us to the writing of the final chapter which will bring Newfoundland into this confederation, and fulfil the scriptural injunction which we apply to the dominion—"from sea to sea, and from the river unto the ends of the earth". That is what Canada, geographically speaking, will be after this bill and the resolution are approved and effect is given to them in the Imperial Parliament. However, the responsibility for all those years of delay does not rest entirely upon Newfoundland. I have recalled that in 1869 Newfoundland voted against proposals for confederation. In 1895 the island colony suffered a financial collapse and, following it, the government sent representatives to Ottawa with a view to securing confederation at that time. As all honourable senators know, the negotiations were not successful. The then debt of Newfoundland was about $16,000,000. Of this amount the Canadian government were prepared to accept $11,000,000, and it was suggested that the British Government should assume the other $5,000,000. That paltry sum of $5,000,000 stood in the way of acceptance of the proposal in 1895.

I went to the library and got the House of Commons *Hansard* for that year, and to my great astonishment I found that there was no debate whatever on the failure of the Government of Canada to effectuate confederation by taking over the island's entire debt. Some debate occurred concerning a complaint that Mr. Foster had not brought down during the negotiations a report on those negotiations, although after they had fallen through, in May, 1895, he did submit a report on the matter. Other than that I cannot find a single word of discussion of this subject in the House of Commons. It is very interesting to note, however, that there was quite a lively debate in the Senate. I have taken the liberty of bringing into the chamber the Senate *Hansard* of 1895. Honourable senators will be interested, I believe, in some brief references to what occurred at that time.

The motion came from Hon. Mr. Wark, a senator from New Brunswick, who was at that time ninety-two years of age but whose faculties appear to have been as bright and clear as they ever were. His resolution was:

To call attention to the unsuccessful negotiations with the colony of Newfoundland, and suggest whether it might not be advisable to open a correspondence with the Imperial Government, and propose such joint assistance in that colony as would enable it to enter this Dominion, unembarrassed by financial difficulties.

Apparently the Senator had pretty thrifty ideas. He did not go so far as to propose that Canada take over the entire debt: he thought there should be further steps to see if the British Government could not be persuaded to give assistance in conjunction with the dominion. He said at page 342:

It is a great pity, however, that the negotiations should fall through. It is of very great importance that the whole of Her Majesty's Dominions in British North America should be under one government and I think we ought to strain a point on behalf of Newfoundland.

The old gentleman's idea of "straining a point" was that we should strain it at the expense of the British treasury, but not that of Canada.

Some other very interesting remarks were made. Senator Prowse, from Prince Edward Island, said this at page 345:

It appears to me that we are in the dividing of the ways, as it were, between Canada and Newfoundland at the present time.

Well, his prediction has not come true; and mighty fortunate it is for both countries that it did not come true. He continued:

. . . and unless some extra efforts are made to bring about the union of that province with the rest of Canada, the longer it is delayed the more difficult it will be to accomplish that end . . . In my opinion a few thousand dollars, or possibly a few million dollars, is only a small consideration compared with the great advantage it will be to Canada for all time to come to have that important province a part of the confederacy.

These are words from the Canadian Senate, while the House of Commons sat dumb.

Further at page 346, Honourable Mr. Primrose said:

I wish to emphasize what I have already said, that I think the government of the Dominion should not hesitate to adopt a course, even at considerable sacrifice, which would tend to secure so desirable an end as the introduction of Newfoundland to the sisterhood of provinces.

Again, Senator Kaulbach, at page 348:

> Let us seize the opportune moment in the spirit of greater generosity—

Honourable senators will recall that this was just after the financial collapse of that colony.

> —and then, with union accomplished prosperity must come to that ancient colony, increased lustre and greatness to Canada and greater strength and power to the Empire. In the maritime provinces we consider it almost of vital importance that Newfoundland should come into the Confederation, and I believe that the people of Canada would say today that if it were a question of paying $5 million more to bring Newfoundland into the Confederation, if it were absolutely necessary they would prefer to pay that amount rather than leave her as she is now. This surely is a question of imperial importance.

I emphasize this because I think every honourable senator here today voices the same sentiment that those honourable senators did in 1895, fifty-four years ago. That is a long time.

> The admission of Newfoundland to the union would tend largely to the greatness of Canada, would round off the confederation with the oldest colony in North America, and, in that way, place us in a unique position as a dominion of which we might well be proud.

It is interesting to note that the final speech was made by the Prime Minister of Canada, Sir Mackenzie Bowell, who at that time was a senator. He disposed of it by pointing out that what Senator Wark had asked for had already been done, that the Dominion Government had already tried to prevail upon the British Government to furnish the $5 million. As that was the extent of Senator Wark's resolution, the discussion ended at that point.

I think honourable senators will find, as I did, that the opinions expressed by our predecessors in this house fifty-four years ago are the same as our sentiments today. Not only that; their beliefs are in accord with those of every Canadian at the present time.

I should like to say something about the reasons why Canadians are anxious at this time to see Newfoundland become part of Canada. But I do not intend to leave it at that. I do not want our friends in Newfoundland to think that we have the idea that the blessings and benefits are all to go one way. In the first place, the coming into Canada of the island of Newfoundland, situated where it is, and including the coast of Labrador, which is a part of Newfoundland, will complete—perhaps not altogether, because I have in mind what the honourable leader opposite (Hon. Mr. Haig) has said—but it will complete as far as it is possible today, the geographical integrity of Canada. In this connection I can speak as a New Brunswicker as well as a British Columbian, because I was born and brought up in New Brunswick. To me it has always been something of an irritation and of regret when I looked at the map of Canada, and recalled the Ashburton Treaty, to see that long narrow nose of New Brunswick sticking out.

Hon. Mr. Leger: It is called the Ashburton capitulation.

Hon. Mr. Farris: I was in British Columbia when the United States was given the panhandle of Alaska, that strip which deprives us of harbours and shuts off our access to the waters of the Pacific ocean. Although I have read something about this matter and have my own private ideas, I do not feel qualified to make any comments on the justice or injustice of this treaty. However, I say, as a matter of the integrity of Canada and possibly, as we grow bigger as a matter of the future friendly relations between Canada and the United States, it is a very fortunate thing that we should have these blots on the Canadian map. I know of nothing that could have added more to the tragedy of this situation than to have the relations of Newfoundland with Canada continue in such a way that some day they would certainly have left another blot on the map of Canada.

We welcome Newfoundland as a part of the integrity of this country because of the added national security it will give to both Canada and Newfoundland. I need not develop that because it is obvious and is recognized.

Mention has been made of the natural resources of Newfoundland. Certainly no Canadian is accepting this union with the idea that we might plunder any one of our provinces of its natural resources. There is no doubt that Newfoundland, in fish, timber, and mines, is rich in resources. I think that Newfoundlanders as well as our own people realize that when Newfoundland is part of the federation of Canada these natural resources will be utilized to a greater advantage to both the citizens of Canada and the citizens of Newfoundland. Union with Canada will promote what some of us in this house favour theoretically as freer trade, if not free trade, with the free exchange of commodities between this country and Newfoundland. It may cause some disruption in the province of Newfoundland at the start. That was the experience in the Maritime Provinces. There may be some protected industries in the colony that are not truly indigenous to it. I do not know, and I certainly do not pretend to be an authority. It is my belief and conviction, though—and we can say this to our friends from Newfoundland—that if this union is not profitable to them as well as to ourselves in trade matters, then it will not be profitable to either of us. The only way in which these benefits can be developed to the use and advantage of either, is by developing

them to the use and advantage of both.

Perhaps not the least of the reasons why we seek to welcome our friends from Newfoundland is that we know we are adding to our population the right kind of citizens.

Some Hon. Senators: Hear, hear.

Hon. Mr. Farris: Newfoundland is the oldest British colony on the North American continent. It is a country of sound traditions. As was so eloquently said in another place, its people are men of independent spirit; and they have experienced something that is good for the souls of men—a hard struggle for existence.

Hon. Mr. Duff: Hear, hear.

Hon. Mr. Farris: Thrift and industry are the basis of success for any people. In some quarters amongst us today there is a tendency to seek government assistance to the degree that people rely on the government when they ought to rely on themselves.

Hon. Mr. Horner: Hear, hear.

Hon. Mr. Farris: Honourable senators, I set no limitation to the extent to which society should go in giving assistance to those who are handicapped, but I think we must all agree that the greatest asset of the strong and vigorous men of a country is their spirit of independence, their determination to work and be thrifty, and to succeed by their own efforts instead of being pap-fed by the state or by any group in it.

We are conscious of the fact that the men and women who are joining us at this time are people of our own kind. They have a great spirit of freedom, and they are prepared to fight for freedom, as they have done in the past, when necessary.

But may I say—this may be presumptuous, though I think it is also fitting—that the union is not a one-sided or jug-handled affair. While we know that the union will result in great benefits to Canada, we would not want it to be brought about unless it had in it a reciprocity of benefits to both countries. When Newfoundland becomes the tenth province of Canada it will be joining a country that in the main has been built up by two great races—the English and the French. When I say "the English" I mean to include of course the Scotch and the Irish, for these three groups are the outstanding racial groups among English-speaking peoples. And when I say "the French" I mean the French Canadians as I have seen them—and I have mingled with them and learned to like and respect them. I think they have produced a greater race than was ever produced in the Mother Country of France. And, honourable senators, it is my belief that out of the combination of these two great races and of other races that are coming to this country there will in time emerge a race that will be greater than any of its component parts, a race that will be known solely as Canadian, without any other label whatsoever.

Newfoundland is confederating with a country that has the same general ideals as her own, the same regard for British institutions, for the Mother of Parliaments, and the same loyalty to the King. As citizens of this country Newfoundlanders will live under two great systems of law that have promoted justice and fair play in Canada—the Common Law of England and the civil law as enjoyed in the Province of Quebec. They are joining a land of liberty, of civil and religious freedom, and they will become part of a country having two great languages, whose guarantee of continuance, as I have previously said of other constitutional features, is based on the surest ground that it is possible to have, namely, mutual respect and a common sense of public honour and responsibility.

I have made some reference to this union as if it were a marriage, but I would point out that the analogy is not quite apt. In the first place, the marriage ceremony, as I have heard it, contains a vow that each party will forsake all others. In this confederation there is no element of that kind. Neither party is called upon to forsake anything for which it has stood. Neither country will have to give up any of its rights, ideals or traditions. All the men and women in the greater dominion will continue to bear allegiance to His Majesty the King as they did before, and His Majesty will continue to be to them that same high symbol of liberty, freedom and justice that he has been in the past. Also in the marriage ceremony, as honourable senators will recall, one of the parties says "With all my worldly goods I thee endow." Well, no party to this agreement is called upon to take any such action as that. This is a federal union, and I do not know of any term that better illustrates what that is than the words themselves. A federal union means that for national purposes all the provinces in the union are associated together as one nation. It is many years ago since Abraham Lincoln said that a nation cannot exist half free and half slave. In my opinion it is equally true that no nation can exist half sovereign and half divided into independent states challenging the sovereignty of the nation as such. There is in this federal union, as was recognized by the Fathers of Confederation, the fullest ground and the fullest scope for independence of thought, independence of civil rights and independence of

religion and language, yet all are merged in the great common purpose of the nation, which is Canada.

Honourable senators, up till now it has not been my privilege to take any active part in these proceedings for confederation. But looking back over the years and recalling the work of the Fathers of Confederation, the men who laid the foundation of the Canada that exists today, and thinking of the developments that have taken place since then and of the efforts that have resulted in bringing this agreement to its present climax, we can all be proud to have had any small share in the general scheme, and each of us can say, as Virgil the poet said many years ago, "Of all these things I myself am a part."

Some Hon. Senators: Hear, hear.

Hon. W. D. Euler: Honourable senators, in my brief observations I have no intention of attempting to emulate the eloquence of those speakers who have preceded me, and perhaps more particularly that of the honourable senator from Vancouver (Hon. Mr. Farris). Since we have heard from those members who come from the extreme parts of Canada, and from the city of Winnipeg, it seems to me not inappropriate that a humble senator from the great province of Ontario should join in welcoming to the federation of Canada the tenth province, Newfoundland.

It seems to me particularly appropriate that Newfoundland, because of its geographic location, should become part of Canada. Industrially, economically, and perhaps ethnically—although personally I cannot claim anything on that score—the Newfoundlanders are similar to the Canadian people. As Newfoundland is right at the front door of this country, I believe it entirely fitting that it should become a part of this great federation. It would be unfortunate, as has been hinted, if in the course of time and through force of circumstances Newfoundland should become the possession of some other country, friendly and all as that country might be.

With regard to the financial arrangements that have been entered into, I have nothing to say. I believe they would require a good deal of time and study before one could express an intelligent opinion as to their merits. Probably in the agreement Newfoundland has been treated not ungenerously. As a matter of fact, I think that the people of Canada would not be particularly concerned if Newfoundland did, perhaps, secure some financial advantage.

My chief purpose in rising today is to reply to some remarks made in the other place. At this point, honourable senators, may I say that I see no reason why we should not refer to the other place by its proper name—the House of Commons.

Hon. Mr. Kinley: Right!

Hon. Mr. Euler: During my years as a member of the House of Commons, and certainly during the regime of the immediate past Prime Minister, rumours have been passed and statements made from time to time, in the press and elsewhere, to the effect that senators when appointed by the Prime Minister, were asked to subscribe to a pledge or in some way to obligate themselves to support legislation that would come from the government, especially in the matter of reforming the Senate. That subject was again brought up in the House of Commons only last week. I wish to quote from page 359 of the House of Commons *Hansard*, where the honourable Mr. Rowe said:

> However, the predecessor of the Prime Minister stated on one occasion, when asking about reforming the Senate, that no one was appointed to the Senate by his government except those who were committed to submit to any reforms the present party might design. Therefore I should like to ask the Prime Minister—

That is the present Prime Minister.

> —whether in the appointment of these new senators from Newfoundland he would inflict that obligation upon them which, I understand, has been inflicted upon every senator appointed by his government.

I think it is time that insinuation was publicly repudiated and denied. I say most emphatically that no such request, express or implied, directly or indirectly, was made to me upon my appointment to this body by the Prime Minister.

Some Hon. Senators: Hear, hear.

Hon. Mr. Euler: I wish to say to my honourable friends that I am free to do exactly as I think right and in the interests of this country, without reference to the government or anyone else. By that statement I am making a sort of declaration of independence, but with all due respect to the government whose policies we support. I think the Senate of Canada will never accomplish its true mission of service if its members do not exercise a high degree of independence. I have spoken for myself.

Hon. Mr. Lacasse: That applies to all.

Hon. Mr. Beaubien: It certainly applies to me.

Hon. Mr. Euler: I have spoken to perhaps half a dozen senators who sit in close proximity to me, and their experience with regard to freedom from obligation is the same as my own. I for one would like the country to know that when the members of the

Senate enter this chamber they have complete liberty to act in the best interests of Canada.

Some Hon. Senators: Hear, hear.

Hon. Mr. Euler: When a member of the Commons says that the former Prime Minister stated that there was an obligation placed on senators, I think he must be mistaken. I am putting my observations mildly. I do not believe that the former Prime Minister ever asked any prospective senator to subscribe to such a pledge. It would be most improper for him to do so, and I cannot imagine that any self-respecting man would lower himself to the point of undertaking such an obligation or of giving such a pledge as a condition to his appointment to the Senate. Honourable senators, I felt that the time had come when there should be some public refutation of this charge made in the House of Commons.

In conclusion, I wish to say that I hope, after the experience of a few years, that even those Newfoundlanders who at the moment may for various reasons be opposed to confederation, will come to realize, along with all the people of Canada, that the contact that is now being arranged will work out to the benefit of all Canadians.

Some Hon. Senators: Hear, hear.

Hon. L. M. Gouin: Honourable senators, I wish to corroborate emphatically the testimony given by our colleague from Waterloo (Hon. Mr. Euler) to the effect that no pledge was ever imposed upon any senator upon his appointment to this house. I entered the senate as a free man; otherwise I would have refused to accept the appointment; and I would not continue to sit unless I were perfectly free and untrammelled. This must be clearly understood by all.

We have listened to eloquent addresses by our colleagues from four provinces. We heard first from New Brunswick, through our acting leader (Hon. Mr. Copp); secondly, we heard from Manitoba, through the honourable leader opposite (Hon. Mr. Haig); thirdly, we listened with great interest to the illuminating and eloquent address of our distinguished colleague from Vancouver (Hon. Mr. Farris) who admirably represented our province on the Pacific coast. Finally, a few minutes ago, the voice of Ontario was heard through our colleague who has just spoken. Now I think it is befitting that you allow me a few minutes in order that the voice of the good old province of Quebec may also resound within the walls of this house in welcoming to our great Canadian family these brave and valiant Newfoundlanders.

I wish to support the motion before us for the second reading of Bill 11, "An Act to approve the Terms of Union of Newfoundland with Canada", and to quote words so aptly used in another place by the Right Hon. Louis St. Laurent. They are as follows:

> This session . . . has the historic task of considering the addition to Canada of the last segment in the original plan of the Fathers of Confederation.

Thus is fulfilled, honourable senators, the vision of one great federation or federal union extending from sea to sea *"A mari usque ad mare"*. Thus is that prophetic vision finally realized.

Let me remind you, as has already been done by our honourable colleague from Vancouver South (Hon. Mr. Farris) that the British North America Act of 1867 provided, in section 146, for the admission, among other provinces, of Newfoundland. It states:

> It shall be lawful for the Queen, by and with the Advice of Her Majesty's Most Honourable Privy Council, on Addresses from the Houses of the Parliament of Canada, . . .

and from the Legislature of the Colony of Newfoundland, to admit that colony into the union which we now commonly call Confederation. The end of that section contains the following words:

> And the provisions of any order in council in that behalf shall have effect as if they had been enacted by the Parliament of the United Kingdom of Great Britain and Ireland.

I think it necessary to call attention to that last sentence because it provides expressly for the procedure which is to be followed in the case of the admission of, among other provinces, Newfoundland.

As you all know, the British North America Act of 1867 was based upon resolutions which had been adopted at the Quebec Conference of 1864. At that conference there were present delegates from the then existing provinces of Canada, now Ontario and Quebec, as well as from Nova Scotia, New Brunswick, Prince Edward Island, and Newfoundland. At this conference, where by the way, my own native province was represented by Sir E. P. Taché, Sir Georges Etienne Cartier, Mr. Chapais, father of our late and highly-esteemed colleague, and Mr. Langevin, resolutions were adopted containing provisions for the eventual admission of Newfoundland. It is true at the conference subsequently held in London, the so-called Westminster Conference, when discussions were held as to the draft of the bill which finally became the British North America Act, no representations were received from Newfoundland. But Newfoundland through its delegates at the Conference of Quebec had already voted in favour of provisions for its eventual admission into the federal union, so it was logical,

and I would say unavoidable, for the United Kingdom Parliament to insert in section 146 the provision which I have just summarized.

In order to appreciate the situation as it now is, may I for a few minutes refer again to the events which hitherto prevented the entry into our great Canadian family of that colony by the sea. In 1869 the electors of Newfoundland decided against entry into our confederation; but in 1895, as was recalled a few minutes ago by the honourable senator from Vancouver South (Hon. Mr. Farris), after the financial collapse of the island, negotiations with Ottawa were carried on, but without success; they failed merely because of what I would call the unhappy bargaining which took place.

I pass now to the depression of 1930, which had tragic consequences for Newfoundland and resulted in the suspension of its constitution in 1934. Under commission government, and due mainly, I believe, to conditions arising from the war and in the post-war period, the finances of the island have steadily improved. At the end of 1945 the United Kingdom decided that a national convention should be elected by the people of the island. This convention was entrusted with the task of investigating and then making recommendations to His Majesty's Government concerning the alternative forms of government for the future administration of the ancient colony. It was stated that the choice of constitution would definitely be submitted to the people at a national referendum. This by the way was a clear affirmation of the democratic principle of self-determination in favour of the population of Newfoundland.

In 1947, as you remember, after its election the national convention resolved to send a delegation to Ottawa to ascertain what fair and equitable terms might exist for federal union. The delegates arrived in our national capital in June 1947 and completed their sessions with the committee of the Canadian cabinet on September 29. One month later, on October 29, 1947, Prime Minister King wrote to the Governor of Newfoundland, enclosing a statement relating to the terms of union which the Canadian Government considered to be fair and equitable for both countries, and which it was willing to recommend to our parliament. A condition, which was absolutely essential, provided that:

—the people of Newfoundland indicate clearly and beyond any possibility of misunderstanding their will that Newfoundland should become a province of Canada.

This quotation is taken from the report of the Department of External Affairs, Conference Series 1948, No. 2, page 58. Honourable senators, this historic letter, written by the senior statesman of the Commonwealth, is another formal statement of our democratic ideals. We Canadians clearly adopted the attitude that our friends from Newfoundland were to be given full opportunity to make their own choice, freely and voluntarily. We are not responsible for the subsequent events which took place in St. John's, and London, England. It would not be proper for me to condemn or approve the decision of the national convention in refusing, by a vote of 29 to 16, to include in the questions to be submitted at the referendum the alternative of union with Canada. Neither do I intend to comment upon the fact that the United Kingdom government decided to the contrary. As recalled this afternoon, a poll was held in Newfoundland on June 3, 1948, and 69,400 electors favoured a return to responsible self-government; while 64,006 wanted to join our Canadian federation of autonomous provinces. Only 22,311 voted for the continuation of the so-called commission government for an additional five years. This latter solution was definitely discarded, and as there was no clear majority in favour of either of the other two forms of government, a second poll was held on July 22 of last year. Almost 85 per cent of the total eligible electors cast their votes, but the majority in favour of federal union was only about 7,000. The score was 78,323 in favour and 71,334 against.

Hon. Mr. David: The honourable senator has said that 71,000 were against the union with Canada. I think he has made a slight error. 71,000 were in favour of the other proposition referred to in the referendum.

Hon. Mr. Gouin: I accept the correction. I only meant, from a practical point of view, having a choice between the two alternatives.

Hon. Mr. David: It did not mean that they rejected union with Canada; they just expressed their desire to continue responsible government.

Hon. Mr. Gouin: My honourable friend will have an opportunity to give a fuller explanation later. My understanding is that the Newfoundlanders were first given the opportunity of joining Canada or of continuing as a self-governing colony. At all events, after that verdict, our former prime minister, as one of the last acts in his long and glorious tenure of office, invited the duly authorized representatives of Newfoundland to come here in order to negotiate the final terms of the agreement. The Newfoundland delegation of seven members arrived in Ottawa on October 5, and on December 11, six of them signed the agreement which is now submitted for our approval. Our present Prime Minister

and the acting Under Secretary of State for External Affairs were the Canadian signatories.

In all these proceedings the Canadian government acted constitutionally, observing faithfully all the fundamental principles of democracy. They lived up to the tradition of our democratic way of life. The terms of union are fair and equitable for both countries. It was satisfying to me to see that the honourable leader opposite (Hon. Mr. Haig) and the leaders of the opposition groups in the other house were unanimous in approving the admission of Newfoundland into Canada.

I am convinced that the addition of this tenth province to our beloved land will be to the mutual advantage of our new fellow-Canadians and ourselves. As a Quebecer and a French-speaking Canadian, I say with true emotion that it is a great privilege to take part in this epoch-making debate which, as the honourable leader opposite has said, will long be referred to by those who come after us. They will say that the last stone of our great federal and interprovincial building was laid where the terms we are now discussing were finally agreed to. Thus, honourable senators, we continue and complete in a manner worthy of our illustrious predecessors, the task undertaken by Macdonald, Cartier and other Fathers of Confederation.

Without the enlightened and efficient co-operation of those statesmen who represented Quebec and Ontario, and whose names are always pronounced with great respect, confederation would never have been achieved. Putting aside all our differences of political opinion we are proud to associate with those names two other great names of the past, Tupper and Tilley, as well as the names of two great present-day representatives of our provinces of Ontario and Quebec, namely, Mr. King and Mr. St. Laurent. Rising above political divergencies and the various and conflicting policies which sometimes separate our two great parties—our old parties, as they are called by some newer schools of thought—I am proud to record the achievements of the Conservative party as well as of my own party, the Liberal party. I am proud also to record the achievements of all our great leaders, men who have guided and are guiding opposite sides in this house and another place but who have always been anxious to contribute to the welfare of our beloved country, and to her development and expansion.

History will register in golden letters the date of the admission of Newfoundland as the tenth of our sister provinces. We are informed that there still is dissatisfaction among those in Newfoundland who were opposed to the union. We also know that in the province of Quebec the agreement now before us has been denounced as imposing upon our taxpayers an excessive additional burden without their consent having been previously obtained. Also a claim was advanced on behalf of Quebec to a part of Labrador; and it has been stated in Quebec that Newfoundland would be a liability to Canada. There have been various other objections. But, honourable senators, I am sure that with time the people of Newfoundland and of Canada as a whole, and in particular those of Quebec, will forget all such complaints and alleged grievances. First of all, they will realize that for the security, not only of Canada but of all North America, the union of Newfoundland with Canada is essential to the efficiency and the practical working out of the North Atlantic Pact. It is not necessary for me to insist upon the strategic importance of the Old Colony; its adequate defence is absolutely vital to the protection of Canada as well as of the United States. The last war fully demonstrated the truth of that assertion. For all purposes of shipping as well as of aviation, in peace and in war, Newfoundland holds an international key position which cannot be over-estimated. It is time to repeat the ancient and familiar maxim: united we stand, divided we fall.

Critics of the proposed union seem to believe that we are taking in Newfoundland as it was in 1934. They systematically ignore and undervalue its present assets. First of all, Newfoundlanders are known all over the world for their unexcelled qualities of courage, industry and perseverance and their loyalty to God, their king and their country. I salute respectfully, with love and affection, the 330,000 people who will remain forever good and true sons of their autonomous province of Newfoundland, but who will become also excellent Canadians, our fellow countrymen. They will bring to us territory which, including Labrador, has an area of more than 150,000 square miles. The country's main resources at present are fish, paper products and minerals.

When we speak of Newfoundland we of course think immediately of codfish, because from the beginning of its four and a half centuries of recorded history the cod fishery has been the main industry of the island. About forty years ago I spent a couple of summers sailing on the banks of the Old Colony, fishing and visiting its coasts along the Straits of Belle Isle, and I shall always remember those happy days with delight and pleasant emotion. Then I was able to come personally into contact with the hardy fishermen and their families. I observed the tragic conditions under which they lived at

Querpont and at other northern posts when the fisheries were poor. For their endurance, patience and generous spirit of hospitality I have ever since have had the most sincere admiration. It was my privilege also during the last war to visit the great airport at Gander, which is indeed one of the most important airports in the whole world.

But let us be practical and get at the facts. A few figures will be more convincing and eloquent than any words of mine. In 1947-48, the last year for which figures are available, Newfoundland's total trade reached $185,522,-848, the highest figure ever attained. Exports of domestic goods amounted to $77,838,593. Revenue from the sale of fish and by-products was $29,517,514. The production of salt cod-fish was about one million quintals, and some 12,400,000 pounds of frozen cod fillets were shipped. Medicinal cod liver oil sold at approximately $3 a gallon. The total exports of herring were valued at $2,170,604, and the exports of lobster amounted to $856,273. Sealing and whaling operations were also carried on successfully.

In the same fiscal year domestic markets absorbed the entire production of about 800 sawmills, whose production for 1948 was expected to reach a total of 62 million board feet. The great pulp and paper mills at Grand Falls and Corner Brook increased their shipments of newsprint.

We now pass on to minerals. In the ten months ending October 31, 1948, 1,217,032 tons of ore were mined at the Bell Island mines, and the Buchans mine shipped ore to a value of $7,761,249. I wish to add that for the exploitation of mineral resources, the gigantic water power of Labrador offers sound hope for an unprecedented era of prosperity for the new province.

I am pleased to notice that more attention has recently been paid to agriculture in Newfoundland. To particularize, in the development of the settlement formerly known as the Upper Humber, and renamed the Cormack, considerable progress has been made under the civil re-establishment program of the commission government.

Finally, I may point out that the government revenues for the fiscal year ending March 31, 1948, amounted to $40,556,541, and there was a deficit for that period of $463,243. I believe that in the long run this deficit will be more than offset by the almost unlimited resources of Newfoundland, in the form of minerals and water power, and above all, by the sterling qualities of the Newfoundlanders. In passing, I may say that the figures I have quoted are taken from an excellent chapter devoted to Newfoundland in the report of the Royal Bank of Canada dated January 13, 1949, on pages 34 and 35 of which further interesting information may be found.

By way of conclusion, may I quote from the very eloquent remarks made by the leader of the opposition in the other house, when he referred to the glorious record of the Royal Newfoundland Regiment? He paid a just tribute to a feat of arms which was almost incredible, and at the same time both sublime and terrible. I read from page 292 of the House of Commons *Hansard* of February 7:

> . . . On July 1, 1916, [the regiment] fought at Beaumont Hamel in the tremendous battle of the Somme. On that occasion the Royal Newfoundland Regiment was engaged in one of the really Homeric battles of history. It took part in one of the most desperate and tragic attacks of the whole war. Seven hundred and forty officers and men went over the top that morning to attack that key position in the enemy defences, and they suffered 684 casualties. Of this action, Sir Douglas Haig said in his dispatches: "The heroism and devotion to duty they displayed on the first of July has never been surpassed." Their own corps commander said in his dispatches: "The assault only failed because dead men could advance no further."

Finally, may I be allowed to quote just a couple of sentences from an address delivered by that great Canadian, Mr. King, who at the time was the first citizen of Canada, when he welcomed the delegates from Newfoundland on July 25, 1947? He said:

> In welcoming you we welcome neighbours and kinfolk, who, with us owe a common allegiance to the crown and whose countries are members of the British commonwealth. History and geography has given us much in common. We enjoy with you the heritage of British freedom and the even older heritage of Christian civilization. We have shared together the perils and sacrifices of two world wars. Side by side, we face the uncertainties of the post-war world.

Of course we will be much stronger if we stand together and are faithful to our great destiny.

Some Hon. Senators: Hear, hear.

Hon. J. J. Kinley: Honourable senators, I am sure we have all listened with great interest to the splendid speeches that have been made so far in this debate. I should like first to refer to the remarks of my honourable friend from Waterloo (Hon. Mr. Euler), and to say that I think his comments with regard to the independence of members of the Senate are timely and good. There is apt to be some loose talk about this chamber, but it usually comes from uninformed sources and does not affect us very much.

I was much interested in the brilliant speech made by the honourable senator from Vancouver (Hon. Mr. Farris), especially the extracts which he read from *Hansard* about senators of other days. I think they were all senators from the Maritimes. During my

friend's remarks he said something about the Honourable Henry A. Kaulbach, who was from Lunenburg. I just remember him in my boyhood days.

Hon. Mr. Duff: Hear, hear.

Hon. Mr. Kinley: I do not entirely agree with what my friend from Vancouver said in relation to the marriage ceremony and the union of Canada and Newfoundland. It occurs to me that that portion of the ceremony about forsaking all others refers only to those things that are sacred, and that in honour and loyalty we are expected to preserve. I do not say that in any critical sense, but I want to justify what I may say later, and I do not wish to do it under the shadow of what the honourable senator had said.

Speaking further about the marriage contract, my friend said that he did not think the promise made by one party to the marriage, "with all my wordly goods I thee endow", applied to the union with Newfoundland. In my opinion it does apply. All the people of Canada hold in common the resources of this great dominion, and each province must share in the dowry. I believe that this sacred obligation applies to the nation in the same way as it would apply to a family.

While we are discussing the second reading of this bill, entitled An Act to approve the Terms of Union of Newfoundland with Canada, we must feel that we are rapidly bringing to a conclusion in a most successful manner something that has been in the making for a long time. Other honourable senators have dealt largely with the historical background. As we know, the recent negotiations with the authorities of Newfoundland continued for over a year, and during that period the people of Newfoundland, through a plebiscite, expressed individually and collectively their desire to join the Canadian confederation. By the passing of this bill the seal of approval of the Dominion of Canada is placed upon the terms of the agreement. Then, after Royal Assent, which we expect will take place within a week, we can feel that an historic achievement redounds to the credit of the Parliament of Canada now in session.

Honourable senators will excuse me if I take the privilege of reminding them that in addressing the Senate on March 27, 1946, I spoke, in part, as follows, as reported in *Hansard*, pages 57 and 58:

> Hon. Mr. Kinley: I have come to the conclusion, honourable senators, that in the national interest and also in the interest of our fisheries we should try to induce the dominion of Newfoundland to come into Confederation.
>
> Hon. Mr. Duff: Absolutely.
>
> Hon. Mr. Kinley: In the Maritimes there is a feeling that Newfoundland is a competitor in the fishing business, and that we should be inviting trouble by bringing her into Confederation. I do not think there should be much fear of that, because her fishing vessels have equal privileges with our own. True, the fishermen of Newfoundland have a little advantage in that they have no income and corporation taxes to pay. But I do think the very fact that they are producers of the same kind of goods as we produce, and competitors with us in world markets, should encourage us to work together as one great country.
>
> Hon. Mr. Duff: They are our best customers for manufactured goods.
>
> Hon. Mr. Kinley: I will come to that. The same sentiment is now becoming prevalent in Newfoundland: the people there feel they should be part of the Canadian nation. The union would entail some cost to Canada, but let us not forget that Newfoundland includes also a considerable part of Labrador. Newfoundland, now a market for much of the goods of central Canada, would, I am sure, become a better market as an integral part of a wealthy and virile country that now lends financial aid to the Mother Country.
>
> We in the Maritimes would have a stronger influence in the Parliament of Canada because we would have another dominion added to the provinces of Confederation. From the national standpoint we cannot afford to do without this frontier dominion. The result of the union would be a stronger Canada, and Newfoundland would be raised to the social and economic standards we enjoy so abundantly in this country.

Honourable senators, from my earliest memories our part of the country was closely associated with the colony of Newfoundland. During many years, we sold them vessels, our deep-sea fishermen used their ports for shelter, bait and other supplies, and men from Newfoundland came regularly to Lunenburg to help man the fishing fleet which sailed out of that port. They arrived in ever-increasing numbers until, in some years, upwards of a thousand men came in the springtime to join the Lunenburg fleet, and went home in the fall to spend the winter with their families. Newfoundland was a base of operations for the Lunenburg fishing fleet and, in fact, all the fishing fleets of Nova Scotia. That was particularly true in the days of sail, when distance meant so much.

During those years there grew up between the people of Newfoundland and the people of the south coast of Nova Scotia, especially of Lunenburg, a warm comradeship. They learned to know each other; and that comradeship, I know, had a great deal to do with the vote in favour of confederation. The comradeship of the sea is liberal and it is inclusive. We came to regard the warm-hearted fishermen of Newfoundland as our very own; and with respect to our own fishermen who went to Newfoundland, I recall that when I was a boy the only way we had to get news of their safety was through letters and messages which came from the ports of Newfoundland. In the early days my grandfather went on many voyages to Labrador; my father went to the Grand Banks and in the

winter he usually called at the Bay of Islands for a load of frozen herring. I learned a lot about Newfoundland in my youth. I was particularly interested in the way they named their ports, such as "Harbour Grace", "Heart's Content", "Heart's Delight": it seemed to be that their hard life upon the sea and their appreciation of their homes and families were indicated by the colourful names they gave the settlements in which they lived.

We have also had much other trade with Newfoundland. Several factories in my district do a large and increasing business with the island. The Atlantic marine engines made by the Lunenburg Foundry Company, and the Acadia engines, made by the Acadia Gas Company of Bridgewater, in my county, have a big market in Newfoundland. Newfoundlanders bring their ships to Lunenburg for refits and repairs; men who came to fish remained as citizens, and more and more are coming. The honourable senator from Lunenburg (Hon. Mr. Duff), as we know, is a native of Carbonear, in the island of Newfoundland, where his father before him was an influential man.

Some Hon. Senators: Hear, hear.

Hon. Mr. Kinley: I am told that the majority for confederation was large in the southern part of the island, where the ports are located from which Newfoundlanders came to Lunenburg to fish. So we feel that they must have a good opinion of us, and that their appreciation of our associations was expressed in their votes.

There has been eloquent reference to the contribution made in the fight for liberty in two world wars by the people of Newfoundland, through their armed services and their association with Canadians during those periods. Our countries, working as one, have thus been cemented with ties that are strong and everlasting.

Newfoundland, as a country, has had good times and difficult ones—so difficult that it was obliged to place its affairs in the hands of a commission government. To us, looking on from the outside, it seemed to be doing a very good job, and today Newfoundland is quite prosperous. Thus, the difficulties having been surmounted, one could see in recent years that something was going to happen and that there would be a change. It was with this in mind that I spoke as I did in the Senate three years ago.

The Newfoundlanders, like most seafaring people, are religious. All denominations are represented, and in St. John's and in the outports there are beautiful churches. The churches of Newfoundland are closely connected with Canada: their ministers come to our churches and ours go to serve with them. This year the General Assembly of the Presbyterian Church in Canada will meet in St. John's, Newfoundland. I am reminded also, that their ministers are largely educated in the universities of the Maritime Provinces. This is true also of the members of other professions, which means that the educated youth of the country have a Canadian experience that will go a long way towards making confederation a success.

It seems to me that the Canadian banking system has done some missionary work in Newfoundland. The Canadian banking system stands high, not only at home, but in other countries. This is a test of their efficiency. They have long been doing service in Newfoundland and our currency has been in use there.

These long associations have caused a ripening of our friendship, bringing about a marriage, which is the finest fruit of their labour. Marriage to be successful must be of the heart as well as of the mind; and I think we can truly say that this marriage with Newfoundland is a love match, brought about by long association and high mutual regard and affection. There were alluring alternatives, perhaps, for greater immediate gain. There was also the appeal of independence and standing alone. It is a great compliment to this country that they so readily chose to become a part of the Canadian nation. I am sure they come to us with our best wishes, and we can say with Bobby Burns—

> Here's a hand my trusty fiere,
> And gie's a hand o' thine.

The economic advantages of the agreement are not the real issue. Newfoundland is our good customer now, and the potential natural resources of Labrador are already in the picture of future industrial development. The big objective is completion and rounding out the Canadian nation, because from a national standpoint Newfoundland and Canada should be one and the same country. It would be insecure to leave the matter unsettled, and world events have made the present time opportune. Many of us feel there was a degree of merit in the contention put forward by Newfoundland citizens who demanded as a first requisite that responsible government should be restored. However, in 1933, Newfoundland agreed to setting up a Newfoundland Royal Commission, and the King's Warrant sets out the objective of the commission. The second recommendation found in the report of that commission is as follows:

> It would be understood that, as soon as the island's difficulties are overcome and the country is again self-supporting, responsible government, on request from the people of Newfoundland, would be restored.

Well, the plebiscite looks like a fulfilment of that pledge; the people voted against the return of responsible government. As a result, Canada's course was clear and definite. The inclusion of Newfoundland as a province in the federation of Canada should bring strength to the Maritimes.

Hon. Mr. Duff: Hear, hear.

Hon. Mr. Kinley: It will be a larger area and will add to the representation in the parliament of Canada. This will be an added strength to the Maritime voice in the country's affairs. We have always had a great influence: Three Prime Ministers—Tupper, Thompson and Borden, all came from Nova Scotia. The three maritime provinces also produced from time to time cabinet ministers of outstanding ability. We still like to think our troubles come from confederation, but I sometimes wonder what right we have to complain. In thinking of pre-confederation days we talk about the "Golden Era", so well described in the Sirois Report. Those were the days of "wooden ships and iron men." Nova Scotian vessels were then the fastest means of transportation on the sea. They were built to carry our fish and products to other countries, and they brought rich cargoes in return. These vessels were manned by Nova Scotians. It was a perfect economy, the country became rich, and the Nova Scotians became great traders. But iron ships and steam interfered with this economy, and Nova Scotia ran into difficult times.

Then came Sir John A. Macdonald and confederation, which was violently opposed in Nova Scotia. But the Honourable Joseph Howe led the province into confederation on receiving what was known as "better terms." Nevertheless, confederation was not well accepted, and to this day there are people who are prone to blame our troubles on confederation, when they were really caused largely by the march of time. Newfoundlanders, like Nova Scotians, are great traders. They can look with pride on their great trading firms and exporters in St. John's and other places. We in Lunenburg know that much of our progress is due to the fine firms that work in conjunction with the fishermen. The coasting trade of Canada is always a matter of importance. In the Canada Shipping Act "coasting trade" is defined as follows:

> Carrying by water passengers and goods from one place in Canada to another.

Newfoundland will therefore be brought into the orbit of our coasting trade. With the passage of the Statute of Westminster there was passed concurrently the Merchant Shipping agreement. For years our Ministers of Marine tried to get control of our coastal trade. The Statute of Westminster was our emancipation. The Motherland was a good trader, and she got the Merchant Shipping agreement.

In the coastal trade I think we should protect our nationals. The United States protect theirs, and it is my thought that with the building of the St. Lawrence waterways, a reciprocity agreement with the United States on coastal shipping would be a necessity and very beneficial to the Maritime Provinces. This is a matter for the future. The fisheries are of prime importance to the Maritimes, and under Section 22 little change will be made in the rules and regulations for a period of five years. In the discussions in the other place, at page 434 of *Hansard*, I read as follows:

> Mr. St. Laurent: As I understand it, there is in Newfoundland a system for the conservation of bait under cold storage conditions, which is more effective than anything we have in the Maritime provinces. The question arose, and I think it is covered in the statement of the questions answered.
>
> Mr. Coldwell: I heard the minister yesterday but I did not quite get the explanation I am now seeking.
>
> Mr. St. Laurent: In the statement of questions raised by the Newfoundland delegation, one of the questions was whether or not in taking over the bait service it would be used exclusively for the Newfoundland fishermen, or would be made available to the fishermen of the maritimes. The answer to that question is given on page 9 of the questions raised by the Newfoundland delegation and reads as follows:
>
> The Canadian government will seek legislation or take such other steps as may be necessary to provide that the Newfoundland bait service will be taken over and operated without fundamental change by the Department of Fisheries. If, after the date of the union, changes are made for the benefit of Canada as a whole, the question of payment will be discussed between federal and provincial authorities.

And here I quote from a statement by the Minister of Fisheries:

> There is in Newfoundland a bait-freezing service which I think is a better one than we have in Canada. We shall have to do something to improve ours so that it will be equal to Newfoundland's.

Honourable senators, the situation is such that Nova Scotia fishermen, largely those from Lunenburg, get bait in Newfoundland for their fishing on the Grand Banks. I hope this practice will be free and unimpaired. On the other hand, Newfoundland fishermen will need bait in winter-time on the Nova Scotia coast. I understand that even now there is no difficulty in that regard.

I am sure we were all interested in the discussion that occurred in another place between Mr. Drew, the leader of the opposition, and the Prime Minister, on oleomargarine. It is quite a passage on constitutional law. For more than forty years I have listened to legal arguments and assisted in

the making of laws in one form or another, but I think this one stands out. The attack was timely and good, but the reply of the Prime Minister showed that he was a brilliant and capable parliamentarian. I commend this part of *Hansard* to the attention of the provincial premiers.

The "marriage ceremony" will soon be completed. After the bill is passed Canada and Newfoundland will be on the road of progress together—in a disturbed and fearful world, it is true. We will share each other's burdens and continue our part as a strong and free nation. May we always stand for justice with dignity, and peace with beneficence.

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

The motion was agreed to.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, February 16, 1949

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

Prayers and routine proceedings.

PRIVATE BILL

REPORT OF COMMITTEE

Hon. Mr. Farris presented the report of the Standing Committee on Miscellaneous Private Bills on Bill H, an Act respecting the Globe Printing Company, as follows:

The committee have, in obedience to the order of reference of February 10, 1949, examined the said bill and now beg leave to report the same without any amendment.

THIRD READING

Hon. Mr. Copp, with leave of the Senate, moved the third reading of the bill.

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

PRIVATE BILL

REPORT OF COMMITTEE

Hon. Mr. Farris presented the report of the Standing Committee on Miscellaneous Private Bills on Bill J, an Act respecting Chartered Trust and Executor Company, as follows:

The committee have, in obedience to the order of reference of February 10, 1949, examined the said bill, and now beg leave to report the same without any amendment.

THIRD READING

Hon. Mr. Copp, with leave of the Senate, moved the third reading of the bill.

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

DIVORCE BILLS

FIRST READINGS

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

Bill O, an Act for the relief of Francis Thomas Joseph Cleevely.

Bill P, an Act for the relief of Jack William Corber.

Bill Q, an Act for the relief of Mildred Ida Acres Wells.

Bill R, an Act for the relief of Wilhelmina Doris Guenette Parkes.

Bill S, an Act for the relief of Anita Phyllis Ticktin Sacks.

Bill T, an Act for the relief of Sylvia Feldman Blant.

Bill U, an Act for the relief of Doris Arvilla Jackson Legassick.

Bill V, an Act for the relief of Rose Klein Levin.

Bill W, an Act for the relief of Thelma Wilhelmina Wintonyk Colter.

Bill X, an Act for the relief of Doris MacArthur Richards Arnold.

Bill Y, an Act for the relief of Mary Matheson Baker.

Bill Z, an Act for the relief of Vivian Pauline Davies White.

Bill A-1, an Act for the relief of Helen Hawthorne Kuhn Ellis.

The bills were read the first time.

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

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

FEEDING OF ROCK SALT TO CATTLE

SUGGESTED INVESTIGATION

Hon. R. B. Horner rose in accordance with the following notice:

That he will call to the attention of the Senate the fact that rock salt is being fed to cattle causing injury to the animals, and will recommend that the government investigate the practice and devise means to prevent it.

He said: Honourable senators, my object in placing this notice on the Order Paper is to recommend action for the benefit of stockmen throughout Canada. A number of practical ranchers to whom I have explained my objection to the feeding of rock salt to cattle agree that it seems a very sensible one. Conditions in warmer countries are somewhat different from those prevailing here, but even there, in my opinion, some animals never receive sufficient salt. The mouth of the horse it not like that of the cow. The horse has two firm sets of front teeth, whereas the cow has only one; and the only way the cow can get salt off a block is with its tongue. A cow's tongue is rough, like a file, and if through licking block salt it becomes smooth, it is impossible for the animal to graze properly. Yet I often see blocks of salt tossed into the snow for the use of cows—a practice which is in fact cruelty of a very pronounced kind. The use of rock salt is one of the reasons why, in spite of improvement in breeding and in feeding, cattle today are not being developed to the size or condition of fifty years ago. As a boy I never saw, or do not remember ever seeing block salt: we used to get coarse salt in large sacks.

Anyone who has supplied salt to cattle knows that their tastes like those of human beings vary; but some cattle will eat almost

any quantity they can get, and a good many never get enough. Where a block of salt is thrown into a pasture the animal that requires a large amount must spend hours every day to get what he needs, when he should be either resting or grazing. I seriously believe that the government, if only for humanitarian reasons, should either prohibit the manufacture of rock salt or encourage the manufacture of coarse salt.

In Saskatchewan a certain type of fly was causing the loss of a large number of cattle, and in conversation with a veterinary surgeon I was told that he had ordered, in addition to a smudge, the distribution of a sack of loose salt among the affected animals in the corral. There were about fifty head of cattle. They ate the whole sack of coarse salt and this saved their lives. I am glad to have had the opportunity of advertising this fact, and I seriously think that the government should take some action in the matter.

VOCATIONAL TRAINING OF MERCHANT SEAMEN

INQUIRY

On the Orders of the Day:

Hon. J. J. Kinley: Honourable senators, I should like to read a statement which appears in today's Ottawa *Journal*. It says:

> Nearly four years after the end of the war, the government has quietly announced it will pay for the retraining of merchant seamen with war service for shoreside jobs.
>
> Wartime sailors who can dig up their discharge papers may now apply for vocational training that other veterans have enjoyed since V-J Day.
>
> But for thousands of one-time sailors the move has come years too late, and for hundreds of others the benefits fall far short of the mark.

I should like to ask the acting leader of the government if he will make a statement about this matter.

Hon. Mr. Copp: I shall be very glad to look into this and endeavour to secure an answer to my honourable friend's inquiry.

NEWFOUNDLAND-CANADA UNION BILL

SECOND READING

The Senate resumed from yesterday, the adjourned debate on the motion of Hon. Mr. Copp for the second reading of Bill 11, an Act to approve the Terms of Union of Newfoundland with Canada.

Hon. A. N. McLean: Honourable senators, this bill which admits Newfoundland into full partnership with all the other provinces of Canada will, in all probability, prove one of the most historic pieces of legislation ever passed by this honourable body. It is now many decades since the last bill admitting provinces into confederation was passed by parliament. None of our present members was here at the time, and it is unlikely that many will be here when a similar bill is again presented, unless the good people of the West Indies decide to negotiate a union with us. When full effect is finally given to this legislation we will have accomplished the fulfilment of the great union visioned by the early Fathers of Confederation. Their dream was, as we all know, that all of British North America, stretching from Cape Spear to Victoria, should form one vast nation. The entry of Newfoundland is the final realization of that great dream, and by it I believe Canada becomes the largest country of the world after Soviet Russia. We are fortunate and privileged to be here in this parliament to play an important part in giving reality to that dream.

Ever since the confederation of 1867, and even before, there has been talk from time to time of Newfoundland coming in with us, but it is only in the last two years or so that the confederation movement became an overpowering force—so much so that last summer the people of that great island voted, by a good majority to join our confederation. I know of no fairer system of voting than a plebiscite, for it decides public questions by an over-all majority. This is the true democratic way, as the people speak.

I have called Newfoundland a great island, and it is a truly great land, as I know, for I have travelled over many parts of it. One has only to look at the map of North America to realize what an important geographically strategic position Newfoundland and Labrador hold on our Atlantic seaboard. This great territory is an outstanding citadel of the western hemisphere. In addition to this, Newfoundland is rich in real wealth—waterpower, lumber, metals, fish, and so forth. I consider it the greatest fishing island in the world. I know of my own knowledge the great possibilities which lie in the Newfoundland fisheries, and I am not going too far when I say they can be increased and extended to be worth far more than they are today.

But it is not only the fisheries of Newfoundland that are valuable. At Corner Brook there is the largest newsprint mill in the world, manufacturing 1,000 tons of paper and 200 tons of pulp per day. The paper mill at Grand Falls is also a large and modern one. The timber reserves of Newfoundland, together with those of Labrador, make the construction of one or two more mills a practical possibility.

At Bell Island, in Conception Bay, there is a very remarkable deposit of red hematite iron ore. This deposit amounts to an estimated 5,000 million tons, and it is said that

it will take another 500 years to exhaust it. It is ore from this mine which, as honourable senators know, feeds the steel mills at Cape Breton. At Buchans, in the interior of the country, there is in operation one of the richest lead, copper, silver, zinc and gold mines of the world.

But it is Labrador, with its 110,000 square miles of area, that is bound to be the Klondike of the Atlantic coast. There is good reason to believe that Labrador's iron ore reserves run into billions of tons. I do not think it is too much to say that Labrador is the last great undeveloped reserve of mineral wealth in North America. I am prepared to believe that Newfoundland's entry may cost our federal government a few million dollars net the first few years, but we realize that those millions are only "chicken feed" by comparison when we think of the great fact that our Confederation is made so much richer and stronger by the addition of Newfoundland.

But by far the greatest asset Newfoundland possesses is her fine people. The noble record of the sons of this island in the two world wars is a magnificent page in empire history. They fought and bravely died for King, country and freedom. The people of Newfoundland are a proud people, and they have a right to be. They are also courageous, and generous almost to a fault. No stranger within their gates need ever be in want. Many people from Europe have come and taken residence with us—and we welcome them. We know of the background of some, but not much of that of others. But we are well informed of the background of the great people of Newfoundland. They are people similar to ourselves—hard working and industrious, honest of heart and purpose. They have the same ideals as we; they sincerely believe in the same institutions, and they have the same blood in their veins. There are no "isms" in this great island. "Communism" is like a foreign word.

Nowhere in North America will you find people who are more industrious, more ingenuous or stouter hearted. In the early days of its colonization Newfoundland was no place for weaklings. It took men of grit and stamina to survive under the hard and rugged conditions which obtained in the first three hundred years of the island's history, and that is why today the people of Newfoundland have such sterling qualities. It took real men and women to carve homes for themselves out of the wilderness along the thousands of miles of coastline in those far off days, and all that was fine in character and personality was brought out by the long struggle for survival.

In coming into partnership with the rest of Canada, Newfoundland, as mentioned before, brings a great deal of real wealth, but what we must realize most, is that a great people, 330,000 in number, are joining hands with us to help make a greater and more glorious Canada. This is a partnership of equal terms and privileges. There are many things that Canada can and will do for Newfoundland which the latter, I feel, is fully entitled to under the partnership: namely, undertakings and projects such as greater transportation facilities and more intense development of the island's many natural resources, for as Newfoundland will have all the rights and privileges of a province, it will be entitled to an equal economic standing with that of the other provinces.

The debt of the island is very low. One of the consequences of this is that Newfoundland has not undertaken public works on such a scale as we in Canada have done. On the other hand, we have a larger per capita debt here, and a great deal of public development work to show for it. However, now that the per capita debt will be equalized, it is self-evident that under the partnership the people of Newfoundland are entitled to have their federal public works system brought up on a par with the other provinces in our confederation. Any aid extended to the island by way of increased transportation facilities and development of natural resources will prove to be an excellent investment, as far greater wealth will flow in and out of Newfoundland's fine ports, and this will react to the great benefit of Canada as a whole.

The people of Canada, I feel, are happy indeed over this partnership and desire to give the people of Newfoundland a royal welcome. The joining of hands by two great peoples is a big event in history at any time, and the passing of this bill is bound to mark one of the greatest events of Canadian history. In peace or war—and we hope the latter is far, far away—we are going to find the people of Newfoundland great and true partners of the confederation of which we are all so proud. They will live up to their responsibilities, and we must spare no effort, and even bend backward, to live up to ours.

Now we can raise our sights. The old saying that Canada extended from Sydney to Victoria will soon be hopelessly out of date, for shortly after the passing of this bill we shall be able to say that Canada extends from Cape Spear to Victoria.

Hon. W. A. Buchanan: Honourable senators, I am prompted to speak in this debate largely because yesterday greetings were extended to Newfoundland from representatives of all or nearly all the senior provinces of the dominion. I am a representative of what so far has been known as one of the newer

provinces, a status that will disappear when this measure is passed and Newfoundland is admitted as the tenth province. Speaking on behalf of Alberta, I want to join with those senators who have welcomed Newfoundland into confederation. I have no direct acquaintance with the island, never having set foot upon its soil. I have seen it from a steamship, and that is as close as I have come to it. I have read something of its history and I know something about its resources, but probably my most intimate acquaintance is with the Newfoundlanders who have come to Canada and been worthy citizens of this dominion. They have participated in the development of western Canada; they have held prominent positions in the professions, in business and in finance, and wherever we have found them they have been good citizens and sturdy representatives of the Newfoundland stock from which they sprang.

Mention was made yesterday by the honourable leader of the opposition (Hon. Mr. Haig) of a Newfoundlander who is a notable clergyman in the city of Winnipeg. My thought is that probably the most outstanding Newfoundlander in Canada is Professor Edward J. Pratt, of Victoria College, University of Toronto. If we had a poet laureateship in this country, he would undoubtedly hold the position, for he is a great poet whose works have brought distinction to Canada the world over. While talking with a Newfoundlander in Toronto the other evening I said, "I suppose Professor Pratt is the only university professor from Newfoundland in Toronto?" My friend replied, There are two or three more on the staff of the University of Toronto, and I suppose there are others scattered throughout the dominion.

I know that there are several outstanding clergymen who were born in Newfoundland and who have ministered in all the provinces. One distinguished native Newfoundlander is the Reverend Peter Bryce, one of the early moderators of the United Church of Canada. I believe that his wife also came from the island. I also know one Newfoundlander who is outstanding in the medical profession in Montreal.

We are now bringing into confederation the birthplace of these people. If Newfoundland's contribution to Canada after confederation is proportionate to her contribution to date, the relationship will be of even greater value in the future than it has been in the past.

As I have said, I have read the history of Newfoundland; I have also acquainted myself to some extent with the resources of the island. It has been said that its resources are not as great as some claim they are. I do not agree with that viewpoint. After union with Canada it is entirely possible that because of the scientific knowledge obtained through the Natural Resources Council, and from other sources, there will be a development in Newfoundland surpassing all that has taken place in the past.

A few days ago, in an article contributed to the Toronto *Star* by Watson Griffin, a student of history and geography, I read a statement made by Sir William Van Horne, who had much to do with the advancement of western Canada in the early days of settlement. He was not only head of a great railway but was also interested in scientific agriculture to the extent that he operated what I would call a demonstration farm near the city of Winnipeg.

Hon. Mr. Haig: Selkirk.

Hon. Mr. Buchanan: Concerning a visit which he made to Newfoundland with Sir William Van Horne in 1899, Watson Griffin has this to say:

> As we went on our way through the island, Sir William Van Horne examined land which many visitors have pronounced worthless. He said to me: "In some parts of the western provinces there were lands that looked just like this land. Many people thought the land worthless, but I made experiments and those lands have since produced great quantities of fine wheat. This land is all right."

Up to the present time the soil on the island probably has not measured up to the hope and vision of Sir William; however, I feel that with our scientific knowledge, and our experimental stations located at various places in the country, it is entirely possible that it may be developed along the lines foreseen by him.

It is not my intention to speak at length in this debate, and I am not going to discuss the terms of the agreement with Newfoundland, about which much has already been said. But I have one thought in mind which may or may not be acceptable to all the members of this body. Recently we have heard much discussion about minority representation in the Senate. It occurs to me that we might be making a step in the right direction if, when Newfoundland comes into confederation, we recognize the minority in that country who are opposed to union. If their country comes into the dominion they will be part of the confederation, yet they have disagreed with the proposed annexation. I believe that by bringing into this body some representatives of that minority group we would be bringing into this upper chamber the viewpoint of an important element in the new province. This would probably be a departure from the practice followed in the past, but I think it would be well to make such a departure in this instance when we bring into confederation the oldest colony of the British Empire. I think it is particularly important because of the sharp division of opinion in that island, and it would be of

advantage to all to have in the Parliament of Canada men who hold a view contrary to those who supported the movement for confederation.

Hon. Mr. Quinn: Hear, hear.

Hon. Mr. Buchanan: Much was said by my honourable friend the senior senator from Vancouver (Hon. Mr. Farris) about the vision of the early Newfoundlanders of participation in a conference directed towards bringing about confederation. Those men many years ago foresaw Newfoundland becoming a part of Canada. I think this moment is one of great historical importance because, even though those men have long since passed away, members of their families are probably still living in Newfoundland, and today, as this measure passes on its way to approval and eventually brings Newfoundland into confederation, they are seeing the hopes and aspirations of their fathers and forefathers being realized.

I began my remarks by saying that I rose to greet Newfoundland as one of the partners in confederation. I also said I spoke as a senator from one of the newer provinces of Canada. I emphasized particularly the contribution Newfoundlanders had made in the past towards the development of this country. I believe that with the addition of this tenth province there will be greater development in Newfoundland and greater progress in the rest of Canada, and I hope also that we will have greater national unity.

Whether Newfoundland will be the last of the provinces to join confederation, I would not predict. Some of my friends would say immediately that no more provinces will be brought in. That may be so. Yet I wonder if we may not do in this country as Russia has done in the development of Siberia. I read recently of a city of some 50,000 people within the Arctic circle. I wonder if there may not come a time when the area known at present as the Northwest Territories will knock at the door of parliament and ask to be brought into confederation. That may sound ridiculous at the moment, but from tapping of the resources of the Northwest Territories we have found that part of the country to be very rich. We know, for instance, that the area around Yellowknife is rich in minerals. There may be other parts of the northern country which will display great wealth. I believe there is no doubt that if we do not make this northern area another province of Canada, it will clamour to become part of one of the existing provinces of the West. In world history, and in the history of Canada, there is probably no more important area than the arctic region.

Newfoundland, facing out to sea, occupies a strategic position, and through two world wars has made great contribution on both land and sea. The northern part of Canada is also strategically situated. We must keep our eyes on these parts of the country and encourage their development, for we believe that in the future, with Newfoundland as a part of this dominion, Canada will be greater than it has been in the past.

Some Hon. Senators: Hear, hear.

Hon. G. H. Ross: Honourable senators, yesterday the honourable senator from Waterloo (Hon. Mr. Euler) directed the attention of the Senate to a speech made in the other place by Hon. Earl Rowe, reported in House of Commons *Hansard,* 1949, page 359. Mr. Rowe said:

> The predecessor of the Prime Minister stated on one occasion, when asked about reforming the Senate, that no one was appointed to the Senate by his government except those who were committed to submit to any reforms the present party might design. Therefore I should like to ask the Prime Minister whether in the appointment of these new senators from Newfoundland he would inflict that obligation upon them which, I understand, has been inflicted upon every senator appointed by his government.

During its tenure of office the King government introduced a great many reforms, which, in so far as I considered them to be in the interests of Canada, I was very pleased to support. I have no doubt that the present government under the leadership of the Right Honourable Louis St. Laurent will continue the policy of introducing reforms, and I shall support such measures when I believe them to be in the interest of Canada. But I have not been committed to any particular policy; I have not agreed to support, nor have I been asked to support, any particular policy; and I do not believe that such an undertaking has been required from any other Liberal member of this house. The people of Newfoundland have nothing to fear in that regard. Those who may be appointed from the new province will be free to exercise their best judgment on all matters which come before this house, without any restriction or dictation or direction from anybody. That is a good Liberal principle, and I have no doubt that it will be followed in their case.

Hon. Norman P. Lambert: Honourable senators, I should like to emphasize some of the international implications of the legislation which is now before us in relation to the agreement between Newfoundland and the Dominion of Canada. But before doing so may I express my warm appreciation of the inspiring and eloquent addresses which were made yesterday, particularly those of the honourable senator from Vancouver South (Hon. Mr. Farris) and my friend and colleague from De Salaberry (Hon. Mr. Gouin). They provided adequately the historical background of

the negotiations; and my colleague from Vancouver South was very happily inspired, I thought, in associating this chamber with the earlier history of the contacts between this country and Newfoundland.

It was my privilege to sit in this very room on the ceremonial occasion when the agreements were signed by the representatives of Newfoundland and of this dominion meeting around this table. The occasion was appropriately celebrated, there being in attendance a distinguished audience, composed of friends of the various delegates, members of parliament, members of the civil service, officials of the diplomatic corps. I was impressed particularly by the fact that four of the signatory delegates from Newfoundland were graduates of Dalhousie Law School, Halifax, and three were gold-medallists of that institution, all having attended there in their student days from the Dominion of Newfoundland.

Despite all that has been said about the economic advantages and the great possibilities, financial and economic, of this union, that consideration did not weigh very heavily with this country in the beginning of the last decade. As is well known, in 1932 a very depressed condition existed not only in this country but in Newfoundland. As a result, the system of government which then prevailed in Newfoundland was discontinued for the time being, in favour of rule by commission, under the Colonial office of Great Britain.

It was not until the war broke out that interest in the union of Newfoundland with Canada was quickened. I remember being at Kingston in 1938 when the late President of the United States, in a memorable speech, went out of his way to state that the United States would not stand idly by and see the Dominion of Canada or any territory adjacent thereto invaded by an enemy. Two days later, at Woodbridge, a similar statement was made by the then Prime Minister of this country, who said that Canada would never permit the portals of the United States to be entered by a foreign foe through or over this country or along our coasts. I mention that incident because it was very shortly afterwards that a meeting took place at Ogdensburg between the Prime Minister of Canada and the President of the United States, with the result that a joint defence board was formed, not only to discuss the problems and dangers of the period immediately ahead, but to act as a permanent organization in relation to the defence of this continent. The United States acquired about that time a ninety-nine-year lease near Saint John's, at Placentia Bay and the adjacent district. The meeting of Roosevelt and Churchill on August 9 to 11, 1941, took place in the waters adjoining Newfoundland. I have good reason to believe that, as from that date, interest—particularly official interest—in Canada was quickened in solving the problem of union between Newfoundland and this country.

Reference was made yesterday by my honourable colleague from Vancouver South (Hon. Mr. Farris) to events which, many years ago, culminated in the Ashburton Treaty and in what is known as the Yukon Boundary Award, handed down by Lord Alverstone. As the honourable senator pointed out, those events had a disturbing effect upon the minds of Canadians, even in those colonial days. I cannot remember the Ashburton Treaty, but I have a definite recollection of the impact made upon public opinion by the Yukon Boundary Award. I recall very clearly an editorial objection recorded by one of the outstanding editors of the day, Mr. E. E. Sheppard, in *Saturday Night*. It was a leading editorial of that paper, dealing with Lord Alverstone's decision. I think in many ways it crystallized Canadian opinion, which later became more articulate. In those days we had nothing to say about those matters, because they occurred during our colonial status. If my honourable friend and colleague from North York (Sir Allen Bristol Aylesworth) were here and were disposed so to do, he could enlighten us very eloquently on the Yukon boundary question.

We must remember that those events were strong factors in equipping this country in the beginning to accomplish the things that are being done in this legislation.

Some Hon. Senators: Hear, hear.

Hon. Mr. Lambert: They aided in a self-reliant growth of opinion in Canada which has enabled us on our own to negotiate such an important treaty as this with the old Dominion of Newfoundland. This is legislation to ratify an agreement between two self-governing parts of the British Commonwealth. It seems to me, further, that the importance of the union cannot be viewed apart from the fact that, for diplomatic and international reasons, the defence of this North American continent is as much the concern of the United States, our neighbour to the south, as it is to this country. Diplomatically, geographically and internationally, the forces that have been crystallized as the result of the recent war have placed Canada and Newfoundland in a world position of which, before the war, we had little appreciation. Whether we like it or not, we find today that the northern half of the American continent is geographically one of the most important strategic areas on the face of the globe. We should realize that this legislation indirectly involves responsibilities which will require a steadfastness of purpose in working

together on those things that will reach far beyond our domestic economy. If I were to mention one aspect in particular, I would suggest that when our budgets come down, and a great clamour for reduction in taxation is made, it should be remembered that we have responsibilities in equipping and defending our coasts.

Honourable senators, in our relations with the United States concerning the North American defence policy, let us take Newfoundland as a symbol of the co-operation that must continue between these two halves of the North American continent.

Some Hon. Senators: Hear, hear.

Hon. Athanase David: Honourable senators, it is too bad that the Canadian public at large has no opportunity to assist in a discussion of this nature, which reflects a dignity, broadmindedness and respect which we wish could be observed everywhere else.

I was a member of the Legislature of Quebec for twenty years and a Cabinet Minister for seventeen. During that long period, either under Sir Lomer Gouin or Mr. Alexandre Taschereau, the Liberal party always remembered the directives given it through a speech made in 1905 by Sir Wilfrid Laurier. I have not got the text of that speech with me, but the thought that animated his words was that the welfare, unity and stability of Canada resided, in part, in the respect due by the central government to the autonomy of the provinces.

We in Quebec have meditated and followed those words. It is because I have been a defender of this autonomy that I now rise to refute the arguments presented in the press and in political speeches, that the rights of the provinces are encroached upon by this legislation. To come to this conclusion one has to go back to June, 1864, when delegates from Upper and Lower Canada, Nova Scotia, New Brunswick, Newfoundland and Prince Edward Island met in Quebec to elaborate—let us say by way of a gentleman's agreement—upon the conditions of entry of their respective provinces into confederation. These delegates were so well acquainted with the idea of Newfoundland entering confederation that they went so far as to discuss the number of members that Newfoundland would be entitled to in the Assembly, the number of senators that would be appointed, and the qualifications that would be required of them. They also went so far as to declare that Newfoundland judges would be appointed from amongst the members of the Bar of that country. In their consultations they also agreed that Newfoundland, abandoning its rights as to mines, should receive an annual sum of $150,000, payable semi-annually. Moreover, section 72 of the Quebec resolutions specifies that the proceedings of the conference, duly authenticated by the delegates of the different provinces, shall be deposited and submitted to their respective governments. At the London conference two years later, on the 8th of December, 1866, the future entry of Newfoundland into confederation was again assumed—by section 10 of the resolution, if I remember correctly. Finally, the British North America Act, which was cited so brilliantly yesterday by the honourable gentleman from Vancouver (Hon. Mr. Farris), provided that upon addresses to the Crown from the Houses of Parliament of Canada and the responsible legislature of Newfoundland, that colony could be admitted into confederation. That procedure cannot be followed now, because there is at present no responsible legislature in Newfoundland. Who will sign the address in the name of Newfoundland? Will it be the Royal commission? Will it be the authorized representatives of the majority that voted in favour of confederation? This, I believe we will admit, is a decision that Newfoundland itself will have to take, as legally directed.

Honourable senators, I said that I would be brief. In conclusion, let me say that having for twenty years defended, under the leadership just mentioned, the autonomous rights of Quebec, I would be the first in this Senate to rise in protest if I thought for a single moment that the autonomy of Quebec, Ontario, British Columbia, or any other province was being encroached upon. For if we want unity in this country of ours, if we want stability, if we want contentment the first duty of everyone must be respect for the rights of others.

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

The motion was agreed to.

SPEECH FROM THE THRONE

ADDRESS IN REPLY

The Senate resumed from Wednesday, February 9, the consideration of His Excellency the Governor General's speech at the opening of the session, and the motion of Hon. Mr. Farquhar for an Address in reply thereto.

Hon. J. W. De B. Farris: Honourable senators, I feel some hesitation in rising to take the time of this honourable body for the second day in succession, but I have a compensating assurance to give honourable members. I find it necessary to leave Ottawa on Friday night, and I can promise that for some considerable time I shall not again inflict myself upon the house.

In beginning, I want to say a word about a matter that was mentioned yesterday by the honourable gentleman from Waterloo (Hon. Mr. Euler) and today by the honourable gentleman from Calgary (Hon. Mr. Ross). For my part, I do not feel it consistent with my self-respect to make any denials. I have before me the Holy Bible, and I refer honourable senators to verse 16 of chapter 20 of the Book of Exodus, which says:

Thou shalt not bear false witness against thy neighbour.

I suggest to my honourable friend the leader opposite (Hon. Mr. Haig), who himself would never be a party to any such scandalous assertion as was made by an honourable member of another place, that when he next sees that honourable gentleman he quote that verse to him and advise him to live up to it.

Honourable senators, I gladly join in the congratulations that have been extended to the mover (Hon. Mr. Farquhar) and the seconder (Hon. Mr. Comeau) of the Address in reply to the Speech from the Throne. Their remarks provided a touch of colour that is perhaps just a little out of the ordinary in this house, and therefore worthy of comment.

At this time I wish to express my personal regret that a number of my friends who sat opposite me last session are no longer here. I express that regret not only personally, but in my public capacity as a senator, for to those who are interested in the constitution and best functioning of the Senate it is a serious consideration that members of the opposition are dwindling in numbers and growing in years, which means, of course, that in some cases their vitality and vigour of criticism of government or public policy is not as great as it was. The zest of debate would be gone if it were not for the fact that in the speeches of one's opponents—no matter how friendly one may be with those opponents personally—there is something that stimulates a reply.

What I have said does not apply to my honourable friend the leader of the opposition, for which I am glad. The speech of my honourable friend the leader of the opposition has stimulated me with a desire to reply. I am sure he will accept that remark in a friendly spirit and as a compliment. When he speaks I feel as if I were listening to an opposing counsel in a case in court, and if I may say so in a kindly way, I think that some of the things he has said demand criticism. In the first place, it seems to me that in dealing with the Speech from the Throne he spent too little time on the questions of policy formulated there and perhaps too much time on wandering into fields—even into wheat fields—that are not mentioned in the Speech.

I should like to direct the attention of honourable members to a statement made by my honourable friend, and appearing on page 30 of *Hansard*. He stated that $480 million had been stolen from the farmers of western Canada.

Hon. Mr. Horner: That is right.

Hon. Mr. Farris: With greatest respect to my honourable friend, my answer is that that assertion is pure nonsense—

Hon. Mr. Howard: No doubt about that.

Hon. Mr. Farris: —particularly as it comes from a lawyer of standing. The essence of theft, honourable senators, is *mens rea*, as we term it in law; the basis of the charge is a guilty or fraudulent intent. If someone in the other house, who was not a lawyer and who did not know the definition of theft, made that startling statement with a view to getting in the headlines of the newspapers, there might be some justification for it. But coming from a gentleman who is a lawyer, a member of the Senate and the leader of the opposition in this house, the statement is a regrettable one.

My honourable friend knows, and so does everyone else in this house, that the making of the wheat agreement—which my friend has designated as theft—was not for the purpose of robbing the wheat growers of western Canada, but came from an earnest desire to assist them.

I do not pretend to be an authority on the wheat problem, but it has come to me from an unimpeachable source that at the time this policy was formulated the farmers' organizations generally in the West were practically united in endorsing it, the reason being that the foremost concern of the farmers was security. No, that was not a fraudulent or guilty intent, an intent to rob; it was the honest attempt of men working together to serve the best interests of the farmers of that community.

If my honourable friend had said that the prophecies respecting the agreement did not materialize, and that unfortunately some money had been lost, or if he had confined his remarks to a criticism of lack of foresight, there might have been some force and, may I say with all respect, some sense to his observations. But the charge that failure to achieve a hope constitutes theft, is an unfortunate and incorrect statement which never should have been made. I criticize my friend not only for the extravagance of his language, but for the unfairness of it. I do not go so far as to contradict his assertions, but I question their accuracy.

On Monday of this week I read an editorial in one of the leading newspapers of this province, the Ottawa *Citizen*, which indicated

that the editor had informed himself on the wheat question. I wish to draw the attention of honourable senators to this editorial, in reply to my honourable friend's statements. The editor has this to say:

An interesting thing about criticism of the wheat agreement with Britain is that it comes mainly from traders and speculators or interests closely allied with the Winnipeg Grain Exchange, their main forum of operation . . .

Canadian wheat growers are for the most part well satisfied—

Hon. Mr. Horner: No, they are not.

Hon. Mr. Farris: I cannot speak with authority on that point, but there must be some ground for the statement.

—with the intervention of the federal government into the wheat marketing picture and the wheat pact with the United Kingdom which later developed.

I would venture the statement that the majority of the farmers were well satisfied when the agreement was made.

Hon. Mr. Howard: No doubt about that.

Hon. Mr. Farris: The article continues:

Western farmers are assured by the agreement of greater stability in the price of wheat, something that for years they have placed first in their demands.

From my observations, I believe that to be a correct statement.

Going on:

For this they are willing, and wisely so, to make some temporary concessions in price. That is the principle of the bulk sales arrangement between Canada and Britain.

Does my honourable friend dispute that?—Silence gives consent.

Further:

The farmers have not suffered nearly so badly under the wheat pact as their newly-acquired champions, the would-be private wheat traders, try to make out. Comparison between "world wheat prices" and the amount stated in the agreement is deceptive.

Hon. Mr. Haig: May I interrupt the honourable gentleman? He must not say that because I keep quiet I am agreeing with his statements. That is not the case at all. I have no right to interrupt him, and therefore I am not saying a word.

Hon. Mr. Farris: My friend has full freedom with regard to interruptions, and he never hesitates to exercise it.

Hon. Mr. Haig: But you said "Silence gives consent." I am not giving consent.

Hon. Mr. Farris. We will accept my friend's protest that he does not give consent.

The article continues:

For the Canadian producer gets the full price provided in the contract with Britain, whereas the Chicago quotations include traders' profits and other costs. In 1945 for example, Canadian producers got seven cents more a bushel than United States farmers.

I take that to be correct.

Hon. Mr. Haig: But it is not.

Hon. Mr. Horner: It certainly is not.

Hon. Mr. Farris: It comes from a pretty responsible source.

Reading further:

And for the past three years the net return to Canadian growers has been only about 35 cents a bushel less than the amount realized by American farmers.

Hon. Mr. Haig: That is not correct, either.

Hon. Mr. Farris: I continue to read:

In normal times the U.S. return runs about seventeen cents more a bushel than in Canada. So that Canadian farmers have in reality been sacrificing only 18 cents a bushel.

Hon. Mr. Aseltine: That statement is a joke.

Hon. Mr. Farris: I do not know whether I understand my friend's sense of humour or not.

Going on:

For this they are getting protection against a break in world wheat prices, and may also realize a continued stable market through extension of the current agreement with Britain. They also have the assurance of a $2 price for the current crop year, though the world price may sag well below that in the near future.

I take it, honourable senators, that is no joke.

It is already down to $2.06 at Chicago—meaning a net return of less than the price to Britain for those selling on the "world market."

I quote that editorial as being authoritative, and so far as I have read in the press generally, these statements in the Ottawa *Citizen* have not been challenged.

Some other statements made by my honourable friend (Hon. Mr. Haig) have aroused my contentious spirit. I trust that he will not take my remarks in any unfriendly way, but merely as legitimate controversy in this house. I refer now to the Trans-Canada highway. I was rather shocked that my friend should attempt to give to Mr. George Drew the credit for having stimulated the policy of the government in that regard.

Hon. Mr. Horner: He certainly did.

Hon. Mr. Farris: Drew started it? I say to my honourable friend, and to those with him who are smiling, that at a time when in the other house we were being told to go to Hull, I should have thought that they, as senators, would have raised their voices in defence of the Senate. I call the attention of my honourable friend the leader of the opposition to a speech made by your humble servant in 1948, and reported in *Hansard* at page 211. It was

a long speech, I am sorry to say, but among other things I found this in it:

Hon. Mr. Haig: What year?

Hon. Mr. Farris: 1948.

Hon. Mr. Haig: I thought you said "1914".

Hon. Mr. Farris: I hope my honourable friend heard me better last session than he hears me now. I made this speech on March 9, 1948, and as I recall it, I was speaking pretty loudly, so I think my honourable friend must have heard me. At the request of the leader of the government (Hon. Mr. Robertson) I was explaining a bill with respect to conservation of exchange, or what has been termed the austerity program. I then said:

Now I am going to suggest some things which we can do at home to bring in American dollars. One is to develop the tourist trade. We have an unlimited market, an unlimited product, and goods of unrivalled quality. We, a handful of people spread over half a continent, can offer every tourist inducement to the 140 million people at our doors. They are the best spenders in the world, and there are no other people they like as well as Canadians. I have said that we possess every inducement. That is not correct. There are some powerful inducements which we ought to attend to, and very quickly. First among these are our automobile highways. I suggest to honourable members, not without diffidence, but with a real confidence, that a trans-Canada highway of the kind which Americans will find as easy to travel on as their own, and excelling their own in scenic attraction, under climatic conditions which for a part of the year are far better than theirs, is a work—to quote from the British North America Act—"for the general advantage of Canada". I believe that no constructive endeavour which this country can make, without a drain upon our resources, would bring in more American dollars than the construction of that kind of a highway, coupled with provincial and international feeders, so that at strategic points in every province there would be highways which of themselves would invite the United States tourist.

I suggest to my honourable friend that Mr. George Drew read that speech, and that it was the beginning of his proposals in this connection; and I should have thought that, in view of current controversy about the Senate, my honourable friend would have been the first to point out that construction of an all-Canadian highway was advocated in this house before we ever heard a word about it from Mr. Drew.

Hon. Mr. Roebuck: In fact the road has been under construction for years.

Hon. Mr. Farris: Another matter on which my honourable friend needs a lot of correction is rent control. Speaking on the 3rd of this month, he made this statement, *Hansard*, page 26:

The administrator is trying to sneak out. I use that term advisedly. It would be far better to say that the provinces have the right to legislate in the matter of rent controls. In my judgment it comes under the heading of property and civil rights.

No one has ever disputed that.

I think only one province has made inquiries; the others have not come forward and said that they wanted the job.

I ventured to interrupt my honourable friend to say:

They all refused it last week.

Perhaps it would have been more accurate to have said that it was revealed last week that all, with one single exception, had refused to take over rent controls, or at least had expressed their desire not to do so.

My honourable friend then said—and I was surprised that before he made the criticism he was not better informed—

One made inquiries,—

He referred to one province.

three or four said nothing, and the rest are waiting.

Hon. Mr. Haig: That was the report in the press.

Hon. Mr. Farris: Well, when has my honourable friend ever thought it justifiable to accept reports in the press rather than the official information which is available to him?

Hon. Mr. Haig: My statement had nothing to do with the fundamental, that is whether they had or had not refused.

Hon. Mr. Farris: I don't know what is meant by "the fundamental".

Hon. Mr. Haig: I said that he had sneaked out, and I still say so.

Hon. Mr. Farris: In view of the failure of my honourable friend to give the information to this house, and on the assumption that our debates are more widely read than those in the other place, and that it is therefore very important that the record be kept straight, I want to call my honourable friend's attention to the fact that the Prime Minister, speaking in that capacity in the House of Commons, gave the facts to all Canadians, including those who sit in this house. While there is some disposition on our part to close our eyes to what is said in the other place, we cannot ignore facts which are of public record. It is of record, on the authority of the Prime Minister, that in October the Minister of Finance wrote to the premiers of every province. It is quite a long letter, and I shall not read it all. Honourable senators will find it on page 75 of House of Commons *Hansard*. I quote it in part as follows:

I am writing to you at this time to say that if your government should decide to introduce provincial legislation relating to rent control, the federal government will be prepared to vacate the field at any time after March 31, 1949, to put at your disposal the records, information and experience of the federal rent administration with all available

staff and, if parliament approves, to pay the costs of your provincial rent administration for one year.

May I add that the rentals administrator of the Wartime Prices and Trade Board has been instructed to make himself available to you for consultation in connection with provincial legislation relating to rent control.

Apparently there were replies to that letter from every province, and those replies were made before my honourable friend spoke in this debate.

Hon. Mr. Haig: I did not say what the honourable senator suggests.

Hon. Mr. Farris: Honourable Byron Johnson, Premier of British Columbia, replied on January 18 as follows:

First, I may state that it is not the intention of the province of British Columbia to enter this field, as it is felt that it is one which rightfully belongs to the federal government. I feel that perhaps your officials are better able to advise you as to the need for rent control, since they have been dealing with this matter for so long. Consequently it is not the intention of the government at this time either to introduce rent control legislation or to make any representations in regard to this project.

The next on the list, a letter was written by the Premier of Alberta on January 18 of this year, as follows:

Dear Mr. Abbott:

I have for reply your letter of January 13 in further reference to the offer of your government to the provinces to assume control of rentals.

Since my letter of November 3, this matter has been considered in detail and I now am in a position to notify you that the government of Alberta does not propose to enter into the control of rentals.

Then we skip to the far east, to Prince Edward Island. On January 13 Premier Jones wrote as follows:

Dear Mr. Abbott:

Thank you for your letter of January 13 regarding continuance of rent controls.

The government of Prince Edward Island does not believe that rent control can be better undertaken and administered locally, and consequently will not request that federal rent control be discontinued in this province after that date.

Next we come to my own native province of New Brunswick. On January 11, Mr. McNair wrote:

Dear Mr. Abbott:

With further reference to your letter of October 23 regarding rental control, I wish to advise that I have now had an opportunity to discuss the matter to some extent with my colleagues.

It was drawn to their attention that, as set out in your letter, the federal government intends to ask parliament for power to extend this control for a further period of twelve months from March 31 next.

It is our feeling that this extension may adequately meet the situation in this province. At any rate there is no present disposition on our part to enter this field. Should there be any change of attitude in this regard I shall advise you accordingly.

The next correspondence concerns Quebec, but I do not intend to read it. However, I would suggest to honourable senators that for their own edification they should turn to page 76 of the House of Commons *Hansard* and read the letter of Mr. Maurice Duplessis. I would put it to your judgment, after you read his letter, whether it is not the finest illustration of an obvious attempt to sidetrack and evade an issue. It is in marked contrast with the letters from every other province of Canada.

Then we come to Ontario. There has been a lot of suggestion of collaboration between Ontario and Quebec, but apparently they did not get together on this matter. The letter from the Premier of Ontario was written as private and confidential, but later the premier released the restriction. This letter reads as follows:

The government of the province of Ontario feels that rental control should be carried on by your government at present, and when the year 1950 comes we can decide if we have to do anything further.

That seems to dispose of Ontario.

Then we turn to page 89 of *Hansard* for further replies. I suppose if any honourable senator wanted to see the originals he would find them in the Department of Finance. Next is a letter from Saskatchewan, dated January 28, and signed by Premier Douglas:

Dear Mr. Abbott:

Thank you very much for your letter of January 13, in which you ask for the government's view on the occupation by the federal government of the field of rental control. The government of Saskatchewan is desirous that the dominion government continue to exercise its jurisdiction in this field and to extend the legislation relating to rental control for at least another year. In view of the fact that these matters have national implications, we feel that they can best be dealt with on a federal basis.

Then we come to what you might call the coalition government. Is that the term they use in Manitoba? This letter, signed by Douglas Campbell, was written on January 28 and reads as follows:

My dear Mr. Abbott:

Re: Matter of rent control.

I received your letter herein dated 14th instant.

I have referred to our file. It contains the letter dated October 23, 1948, from yourself to Honourable Mr. Garson, K.C., the then premier of Manitoba.

I note that the speech from the throne read at the opening of your paliament on Wednesday, 26th instant, forecasts the extension of rent control under legislation of the parliament of Canada.

I have conferred with my colleagues and we have carefully gone over the whole situation. We are of the unanimous opinion that, as matters stand at present, the whole subject of rent control should be left for the exclusive consideration, attention, et cetera, of the Dominion of Canada authorities.

Surely my honourable friend from the city of Winnipeg (Hon. Mr. Haig) should have been familiar with the policy of the government of Manitoba, of which I am sure he is a loyal supporter.

Hon. Mr. Haig: What about Nova Scotia?

Hon. Mr. Farris: What about it?

Hon. Mr. Haig: What did it say?

Hon. Mr. Farris: I do not know. I shall give my friend an opportunity to check up on Nova Scotia, and if he can find anything inconsistent in a single statement of one province to support his stand, I hope he will take some satisfaction from it.

Hon. Mr. Haig: That does not differ from my statement at all.

Hon. Mr. Farris: Perhaps Nova Scotia has answered, and I may have overlooked it.

Honourable senators, it is with the greatest regret that I continue my speech in the absence of the honourable senator from Peterborough (Hon. Mrs. Fallis). I regret that she is ill, because I have formed the highest respect and deepest regard for her. But she too, like my honourable friend opposite (Hon. Mr. Haig), is often very provocative in debate. Before I knew that she could not be here I made some notes on what she said in her speech on the Address in reply.

Hon. Mr. Howard: Let us have them.

Hon. Mr. Farris: I am sure that if the honourable senator were here things would be more interesting, because I do not know of anybody more skilful in making interruptions, and nothing spices up a debate more than that.

I should like to congratulate the honourable senator from Peterborough on a most clever speech; I emphasize the word clever; but I was surprised at the attacks she made. The first and outstanding one was on the appointment of a royal commission which she termed, with that apt ability which she has to turn a phrase, "a cultural omnibus resolution." I was amazed that one who had served as a school teacher and as a past president of the Teachers' Federation would frivolously make fun of a serious government proposal to further the cultural development of this country. It is surprising that she, with the cultural advantages she has enjoyed, would by her remarks tend to deprive others of an opportunity in the future to gain cultural advantages at least approaching, if not as great as, those she had. I hope my honourable friend from Sorel (Hon. Mr. David) will take part in this debate. I hope that he will give to this house some of the knowledge that he has gained through his identification—and also, I am told, that of his good wife—with cultural developments, with the arts and other things that go to make up the finer and higher life of our community.

To me it is a matter of real disappointment that one of our senators who has benefited most from cultural opportunities—as is manifested by the high character of her diction and the able speeches she has made in this house—has found occasion to poke fun at the announcement of the government's intention to appoint a royal commission. The honourable senator says that the proposed reference to the commission covers too much territory. Well, honourable senators, more than thirty years ago it was my privilege to be a member of the government of British Columbia and to occupy two portfolios—those of attorney general and Minister of Labour. There were then some socialists in the legislature, as there still are, but I am glad to say that their numbers have not increased very largely. I was young and ambitious and had a lot of ideals —I hope I have preserved them—and I brought in some measures that might generally be termed labour and social legislation. Among these was, for instance, a mother's pension act. Every time that I introduced any such measure, the members who claimed to represent labour and to stand primarily for the social advancement of the underprivileged, failed to give me any support. They well knew that in any government you have to fight before you can get agreement to have these measures brought in; but instead of attempting to strengthen my hand they would get up and move a resolution to the effect that I had not gone far enough. But the honourable senator from Peterborough (Hon. Mrs. Fallis) has taken a new stand. She says the government has gone too far, that it has included too much in this omnibus undertaking to investigate and promote these cultural advantages that we should enjoy. Well, I leave it to the judgment of every member of this house whether I am not right in saying that the people of Canada will never criticize the government on the ground that it has gone too far in attempting to promote matters of this kind. Better too much than too little.

My honourable friend from Peterborough then charged that in this proposed reference to a royal commission there was an evasion of parliamentary responsibility. She claimed that some of the matters mentioned should be dealt with by the Senate and the other house. Perhaps that is so. It is now nearly thirteen years since I first came to the Senate, and my honourable friend from Peterborough has been here for almost fourteen years. Well, honourable senators, let me point out that the responsibility to agitate for and promote development of the cultural activities in this country is not exclusively the responsibility of the Senate as a whole or of the House of Commons as a whole; it is a responsibility of each and every individual

member of each house. Any senator is free to get up in this chamber at any time and advocate investigation or promotion of any of the things mentioned in the proposed reference. I ask if any single member of the opposition, including my honourable friend from Peterborough, has ever moved for the appointment of a committee to investigate or promote any of those things, or has even proclaimed the necessity of investigating or promoting them.

If the announced intention to appoint a royal commission has done nothing else, it has at least stimulated recognition of the fact that the honourable lady and others ought long ago to have been doing what the government now proposes to have done. The proposed appointment of a royal commission is part of the forward policy which the present government has been carrying out step by step every year, in keeping with the vision, such as no other government of Canada has ever had, of promoting the welfare of—if I may use a hackneyed expression—the common people, who have missed many of the cultural advantages that have been enjoyed by some of us, including the honourable senator from Peterborough. A step in the carrying out of that policy is not one that should be made fun of or scorned by a member of this house or by the leader of the opposition in another place on the specious and false grounds that the government is undertaking too much. Nor should the government's announcement have been subjected to the criticism that appeared in a newspaper, to the effect that young men should be appointed to the royal commission because its work will take a very long time. That is just nonsense, honourable senators. I dislike to say it, but I will say that when I saw that statement I felt that the newspaper was thinking about, not the welfare of our people, but ways of reducing the government's prestige in the coming election.

Then I was more than astounded by what my honourable friend from Peterborough did not say about other provisions in the Speech from the Throne. For instance, the Speech makes a direct reference to the national health program, but there is not a word about this in the address of the honourable senator from Peterborough, who, of all of our members, might be expected to be the foremost in praising and commending this program.

The very next paragraph in the Speech from the Throne says that a bill will be introduced to broaden the scope of the Family Allowances Act. Has this announcement received any commendation from any honourable member on the other side or any member of the Progressive Conservative Party in another place? I wish my honourable friend from Peterborough were present so that I could say to her that of all the statements in the Speech from the Throne this is one which she should have endorsed. There is a special reason for my saying that, honourable senators. When the original Family Allowances Bill was before the other house, the then leader of the opposition, Mr. Bracken, said it was a bribe to the electors. And in a radio address delivered on August 9, 1944, the then Prime Minister of Ontario, who is the present leader of the opposition, said this of the Family Allowances Bill:

> The Government of Ontario intends to do everything within its power to make sure that this iniquitous bill does not go into effect.

Any member of the opposition party speaking in this house, and particularly the honourable lady senator from Peterborough (Hon. Mrs. Fallis), should go on record as repudiating the statements made in this regard by the present leader of the Conservative party, and his predecessor, and assure the people of Canada that he, or she, is 100 per cent behind the policy of the government, which has already been endorsed by the people of Canada.

Reference is made in the Speech from the Throne of the formation of a commission to inquire into national transportation. I hesitate to criticize this proposal.

Hon. Mr. Horner: Go right ahead.

Hon. Mr. Farris: I know my honourable friend would be one of the first to pick up one of my sentences and use it outside its context. If he does not do so, he differs from some of his associates.

Hon. Mr. Aseltine: That is not a very nice statement to make.

Hon. Mr. Haig: I object to that. Surely you will withdraw that statement.

Hon. Mr. Horner: I will have something to say later on that point.

Hon. Mr. Farris: I was speaking of some other members of the Conservative party. I cannot say that my honourable friends opposite have ever been guilty of using the text without the context. I am glad my friends can score on me to that extent.

I am not criticizing the proposal, but I am wondering why the commission is being set up. As a senator, I think it is my duty to raise a question about such matters. No doubt when the subject gets to the proper stage in the other place it will be fully explained. We have in Canada the Board of Transport Commissioners, which has been headed by outstanding men. The present chairman of that board, Mr. Justice Archibald, is a man of great ability. He was a distinguished member of the Supreme Court of Nova Scotia, and during the war years served in a very able way as chairman of one of the labour boards in Ottawa.

I recognize the outstanding ability of the gentleman who is to be the chairman of the new commission. The Honourable W. F. A. Turgeon is a brother of our colleague from Cariboo. He and I had the pleasant experience of being admitted to the Bar of New Brunswick and of going west together. We parted company at Regina, and the next time we met he was Attorney-General of the province of Saskatchewan and I was Attorney-General for British Columbia. He was later Chief Justice of Saskatchewan, and more recently has been High Commissioner to Ireland. The Honourable Mr. Turgeon has a wide knowledge of Canadian affairs; he has sat on other important commissions, and I have not the least doubt about his ability.

The only question in my mind concerning the appointment of the commission is why is the investigation being taken out of the hands of the Transport Board, a body which has a tradition and a wide experience in transportation matters. It may be that the government has felt that the board was too tied down by tradition and that there was need for bringing a fresh mind to the solution of the problem. Those are matters which I do not feel qualified to discuss at the moment, but I think we may conclude that this inquiry is opportune and necessary.

We in this country must face the fact that our railways have to secure adequate returns to permit them to operate. If the present rates do not adequately compensate them, some method must be devised to assure them fair returns. Tremendous capital expenditures must be made by the Canadian railroads. At this time of the year, with the frost in the ground, the sleepers ride quite comfortably; but when spring comes the trip from here to Vancouver, bumping over the ties, is most unpleasant. When we compare our railways with those of the United States we must realize that if our roads are to be kept up and are to get their share of the traffic, tremendous capital expenditures must be made.

One of the prime purposes of the inquiry will be to remove jurisdictional injustices. Coming from British Columbia, as I do, I have strong feelings in this respect; but as the matter is now in reserve I will not discuss it. Concerning the mountain differential, the railways are not only proposing to ask for the perpetuation of these discriminations, but they are seeking to impose a percentage of increase on the differential. That seems to me somewhat illogical, because the mountains are no higher and the grades no steeper than they used to be.

Whatever may be the merits of that question, this is basic: Western Canada's trade and prosperity depend on fair and equalized freight rates, and the progress of the West is essential to the prosperity of the East. We hear a good deal these days about national unity; but as long as there are grievances, and shippers and importers in the West find these hard-to-explain discrepancies, there will be a sense of injustice—and nothing does more to harm the spirit of Canadian unity. Whether the government is to correct the problems of transportation by appointing a new commission or by strengthening the Transport Board and imposing further duties on them, it is high time there was a complete review of the situation. I think the people of Canada must look forward with hopeful anticipation to good results from this commission.

Honourable senators, a further question referred to in the Speech from the Throne is appeals to the Privy Council. I would not deal with this subject now if I were able to be here when the bill is introduced in the house. If honourable senators will permit me, as one somewhat actively engaged in the practice of law and a former president of the Canadian Bar Association, I should like to say something on this question. I feel that as a result of our new sense of national independence the sentiment in this country is growing so strongly in favour of doing away with appeals to the Privy Council that there is not much point in speaking against the proposal. However, with the permission of the house, I should like to read an expression of opinion that I wrote for the *Canadian Bar Review* after the Privy Council declared that the Parliament of Canada had jurisdiction to abolish the appeals. The editor of this journal invited me, with some others, to give my views. I expressed my opinions on the question of the legality of the decision and its implications, and finally, on the question whether, the right to abolish appeals, being admitted, should be exercised immediately. With the permission of honourable senators, I will put on record what I then wrote:

> On this question there is something to be said on both sides. The fact that the power exists is not of itself a reason for putting it into effect. The Privy Council has been a useful institution to Canada and has contributed much to our jurisprudence both directly and as a powerful influence in our legal and judicial growth and development. England has been the cradle of the common law and the high traditions of our profession are deeply embedded in the judicial soil of that country. To say now that because we are grown up we should demonstrate our new status by abolishing Privy Council appeals is a *non sequitur* which would indicate our continued adolescence. It is true that Canada is now big enough to have her own Court of Appeal. In fact, she is big enough to have any court she considers in her best interest. If the appeals are to be abolished, let us be sure the reasons are sensible and realistic and not merely the first flutterings of the wings of the bird newly dropped from its nest.

There are substantial reasons advanced for ending the Privy Council which might be effectively met by remedying the criticized conditions without resorting to the extreme measure of abolition. One of the criticisms is that the costs are excessive. It is true that today only the wealthy or the very poor can afford an appeal to London. A man of moderate means, involved in a suit for a few thousand dollars in which he is successful here, may be dragged to the Privy Council and find himself burdened with costs out of proportion to the amount involved.

This condition should be and can be remedied. I suggest amendments or changes in procedure so that appeals as of right or by special leave would be restricted to the following cases:

(1) To constitutional cases: provided that if the Crown is appellant and the respondent a private litigant the condition is imposed that the appellant must pay the costs unless for good reason otherwise ordered.

If a province or the dominion, fighting a private litigant, wants to test the constitutionality of a case, and drags a private litigant overseas, it would be only fair that his costs should be paid.

(2) Cases between parties where the amount involved is large. I would suggest a minimum of $25,000, or even $50,000.

(3) Cases for lesser amounts where the appellant is put on terms to pay all the costs, win or lose.

(4) Cases where both parties stipulate in advance that the loser below shall have the right to appeal to the Privy Council. If both sides can afford the luxury of an appeal regardless of the amount involved, and so stipulate, there is no hardship.

There is criticism that it is inconsistent with our present status as a nation that we are dependent on a court which is paid for by Britain. This is easily corrected. Canada should insist on paying its own way and that the share of maintenance costs of the Privy Council proportionate to the amount of work connected with Canadian appeals should be paid by Canada. In this connection I suggest that some Canadian judges of recognized ability should be members of the Judicial Committee.

I may say that the Chief Justice of Canada is today a member of that committee, and I understand that he may be going to the Privy Council this summer.

In favour of continuing appeals to the Privy Council, or at least in favour of postponing the abolition of such appeals, I offer the following reasons:

(1) The judgments are a useful contribution to our common jurisprudence.

(2) The Judicial Committee of the Privy Council is one of the last remaining links of Empire. This is more than mere sentiment. The intellectual contacts are stimulating and worthwhile. I believe that they promote better understanding and will continue to be a beneficial influence in maintaining our high legal standards and ideals of justice.

In conclusion let us bear in mind that the Commonwealth Nations are now going through most difficult and trying post-war experiences.

This, of course, was written two years ago.

There are inevitable forces tending to pull us apart. These forces should be countered and resisted. Action by Canada at this time declaring against our long established institution of Privy Council appeals will be interpreted in many quarters as a significant step in a process of Empire dissolution. My advice is to proceed with caution and not to forget that Canada's present stature has grown out of our past associations and that benefits may still come from a continuance of the tie that binds.

I want to go on record to that extent. If I am here when the bill for the abolition of appeals is brought in, I shall have nothing more to say. I feel that the sentiment of the younger men in the country is not in accord with my views; and having put them before you, I will not presume to take a further stand when the matter comes up by way of legislation.

If honourable senators will allow me another ten minutes, I should like to talk upon one or two topics which probably are not directly dealt with in the Speech from the Throne.

Some Hon. Senators: Go on.

Hon. Mr. Farris: I suppose that, strictly speaking, I should not speak about a bill in the other house, but it is a private bill, and my guess is that it will never get here. It is the bill of the Honourable C. G. Power with regard to election expenses. I shall not discuss the bill, but as to the subject-matter I want to offer a suggestion which is based on some experience.

One of the chief expenses in partisan elections is that of getting voters out to the polls.

Hon. Mr. Haig: Hear, hear.

Hon. Mr. Farris: In my judgment that difficulty could be largely remedied by the institution of compulsory voting, which I believe would be a highly beneficial reform.

Hon. Mr. Horner: I agree.

Hon. Mr. Farris: What sort of person can always be depended upon to go to the polls? The voter who has an axe to grind. If a man is looking for special favours, if he is an enthusiastic member of the party machine which controls patronage—and I believe there is some patronage in Canada—he and others of the same type may be counted upon to turn up at the polls. But what about the man who ought to take an unselfish interest in public affairs, the man who has no direct personal stake in the result of an election, whose concern is abstract rather than concrete? I am afraid that citizens of this class have acquired a cynical attitude towards politics. They sit at their own firesides or before big fireplaces in their clubs, and talk about the way politics are run, and the gang who are running them, and so forth; but they don't go out and vote. Under a compulsory system the votes of these men would be disinterested in the sense that they had no immediate private ends to serve, but they would reflect a higher interest, namely, the welfare of the country as a whole. I believe it

will be found that a large percentage of non-voters is in this group. Someone may ask, "Why force them to vote if they are not sufficiently interested to do so?" My reply is that if this type of man were compelled to discharge his public duty he would take more interest in public affairs, which is an end much to be desired. I grow very impatient with the argument, "Oh, there is too much compulsion; why should I be compelled to vote?" My attitude toward this question is that while the exercise of the ballot, like the opportunity to perform any public duty, is a privilege, the vote was extended to our citizens because in a democracy it is their public duty to vote and thereby to contribute their opinions, their ideas and, I hope, their ideals as to how the state shall be governed.

Jury service is a privilege, but it is primarily a duty. No man has the right to say: "I refuse to serve on a jury. What right have you got to make me perform that duty?". In the name of common citizenship he can be told that it is his duty to serve on a jury. By the same principle I say that it is the duty of every citizen to vote. I have heard the utterly absurd idea put forth that a person should not be compelled to vote because he may not be satisfied with any of the candidates. Well, isn't it too bad that we have a gentleman in our community who is so much above the rest of us that he cannot soil his hands with a ballot because he doesn't like any of the candidates. I do not think there can be many of these people, and I would not bother my head about them.

Honourable senators, the compulsory vote would improve the standard of electors and would lighten the tremendous burden now imposed on the various political parties. I wonder how many voters today go to the polls because they are transported there. I think they would be better if they went to the polls under a compelling obligation to perform a civic duty rather than by reason of some party representative calling them up, inviting them out for a drink, and taking them to the polls in a motor car.

Hon. Mr. Roebuck: Is that system being employed anywhere today?

Hon. Mr. Farris: Yes, I believe it is being used successfully in Australia.

Honourable senators, associated with this is another policy that I should like to see introduced in Canada—the single transferable vote. Those who do not understand it confuse it with proportional representation. They are not to be confused. One is the antithesis of the other. My honourable friend the leader opposite (Hon. Mr. Haig) agrees with me in this. I do not like proportional representation.

Hon. Mr. Haig: Hear, hear.

Hon. Mr. Farris: Theoretically it is of advantage. It is fine to say that every group in the community should be represented in parliament, but what is desired is effective government. This can only be obtained by putting in office a group of men who, under a responsible and representative government, have people behind them to see them through. An extreme illustration of the evils of innumerable groups in parliament can be found in France. It is such a condition which has practically destroyed parliamentary government in that great country, and we certainly do not want it here. That is what proportional representation encourages, but the single transferable vote is the very antithesis of that system.

Hon. Mr. Haig: Correct.

Hon. Mr. Farris: While most honourable senators understand the single transferable vote, I would presume on the patience of this house to explain it. The finest illustration I know of the single transferable vote was that carried out, although in a cumbersome manner, in Newfoundland. Two plebiscites were held. In the first there were three proposals on the ballot: To remain as they were under British jurisdiction; to have responsible government; or to join Canada. In that first vote no majority was returned for any one of the three proposals. If there had not been a second vote, responsible government would have carried. But a second vote was taken, and the proposal having the smallest vote in the first plebiscite. was dropped, leaving only two proposals, responsible government and confederation with Canada. Although responsible government would have carried on the first vote, on the second vote confederation with Canada carried by a majority of six or seven thousand. It was not necessary for Newfoundland to have held two plebiscites. They could have accomplished the same thing on one ballot. That is what the single transferable vote does. If you have three men running in a single-member constituency—it must be a single-member constituency—you have a first choice and a second choice.

Hon. Mr. Howard: And you vote for all three?

Hon. Mr. Farris: No, just for first and second. If any one of the three has a clear majority, he is elected, and that is the end of it.

Hon. Mr. Haig: A clear majority of the total vote.

Hon. Mr. Farris: Yes, if that man enjoys a majority amongst the three but has not a

majority of the total vote, then the low man is dropped and his votes are applied to the other two.

Hon. Mr. Beaubien: As indicated.

Hon. Mr. Farris: Yes, just as they did in Newfoundland in the second plebiscite. The result is that one of the two leading candidates gets a clear majority from all the electors. If this system were used in Canada no one could be elected in a single-member constituency unless he received a majority of the votes in that constituency.

Honourable senators, we in British Columbia are particularly apprehensive about the possibility of the C.C.F. party getting into power in Canada. There is not a chance in the world that they would get a clear majority of the votes of all the people of Canada, but they could get into power in a three-cornered fight. If the time ever comes when more than fifty per cent of our people want Socialism and a C.C.F. government in this country, they will have it. That is their right. But I say it is not right that any party should slip into power on a majority vote in a three-cornered fight. Honourable senators, I strongly advocate both the compulsory vote and the single transferable vote. Perhaps it is too late to make an effective impression on the government at this stage and in this house, but it is certainly time to discuss these things. Sooner or later the people of Canada will come to recognize the justice of them.

Honourable senators, in conclusion may I remind you that Canada has a new Prime Minister and a new leader of the opposition. Mr. Drew is a man of ability and experience, and I have no doubt that if he became Prime Minister of this country he would be a worthy successor to those of his party who previously held that high office. I do want to say, however, with great pride and deep feeling, that our present Prime Minister is a man about whom it was my great privilege to speak in this house many months before he took office. At that time I picked him out as being to my mind the outstanding man in the Liberal party, and the one who would succeed Mr. King when he laid down the reins of office. Today, honourable senators, I am proud of my prediction, and it gives me a great sense of satisfaction, personally and as a member of this house, to pay tribute to the Right Honourable Louis St. Laurent, Prime Minister of Canada, who I believe—though I ask no one else to accept my opinion—is the greatest Canadian statesman of today.

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

Hon. Mr. Haig: I do not object to the adjournment, but I would point out that my honourable friend has adjourned the debate previously.

Hon. Mr. Howard: I moved the adjournment simply on behalf of any other senator who may wish to speak.

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

The motion was agreed to.

PRIVATE BILL

SECOND READING

Hon. Norman P. Lambert moved the second reading of Bill L, an Act respecting the Corporation of the City of Ottawa, Ottawa Transportation Commission and the Ottawa Electric Railway Company.

He said: Honourable senators, I ask the indulgence of the house for a few moments' consideration of this bill on the motion for second reading, and if the Senate will agree I should like second reading to be given today and to have the bill proceed to third reading tomorrow. The reason is this. There is a likelihood, as honourable members know, that within a day or two we shall adjourn for perhaps two weeks; but it is desirable that the bill should not be delayed that long, for the interests that are affected by it are operating under a permit which will expire in the near future.

It happens, quite fortuitously, that one year ago today a referendum was held in the city of Ottawa on the question whether the transportation system of the Ottawa Electric Railway Company should be purchased by the city, and the people expressed themselves in favour of the purchase by a vote of more than four to one. In May last a lengthy agreement between the city and the railway was signed, and on the 12th of August the purchase was actually completed and the purchase price paid to the company.

As the railway was declared to be a work for the general advantage of Canada, it is necessary to obtain from the Minister of Transport authority under subsection 5 of section 150 of the Railway Act for operation of the railway by the purchaser, the city. This railway was declared to be a work for the general advantage of Canada because it runs across the Chaudiere bridge and for a few hundred yards into the province of Quebec, having a terminus in Hull.

The explanatory notes to the bill are pretty full and, I think, make clear the need for passage of this measure. In the first place, the bill ratifies the agreement set out in the schedule. Secondly, it gives recognition to the existence of the Ottawa Transportation Commission as the city's agent for operation of the railway. Thirdly, it vests all the rights, franchises and privileges of the company in

the city. And lastly, though this is not of least importance, it provides that the Winding-up Act shall apply to the winding-up of the Ottawa Electric Railway Company, so that the company may be able properly to distribute the proceeds of the sale amongst its shareholders.

By reference to paragraph 35 of the agreement it will be seen that the company and the city agreed to support jointly this application for ratification and to share equally the costs involved therein.

There is really nothing contentious in this bill, and I would urge that it be given second reading now. I should also like to suggest again that third reading be given tomorrow.

Hon. Mr. Aseltine: Is there any opposition to the bill?

Hon. Mr. Lambert: There is no opposition whatsoever to the bill.

Hon. Antoine J. Leger: Honourable senators, it is not my intention to try to hinder passage of this bill. On the contrary, I am all in favour of the measure, and the observations I am about to make are intended to be helpful.

It seems to me that certain things should be called to the attention of the Senate. The bill is properly before us, because the railway company was incorporated under a federal act and the railway itself was declared a work for the general advantage of Canada. After purchase by the city application was made to the Minister of Transport for permission, under section 150 of the Railway Act, to operate the railway until the end of the present session of parliament, and this application was granted.

As to section 1, I cannot see any objection at all. In fact, I think the section is a proper one. Section 2 is necessary because of a decision that was given in *Re Grand Valley Railway Company*, 18 Canadian Railway Cases, page 430, where it is said:

A municipality may acquire a dominion railway,—

That is what was done in this case.

—but is without power to operate it without authority of the minister and a subsequent enabling Act.

As I have already pointed out, authority was obtained from the minister to operate the railway until the end of the present session. What is now needed is an act authorizing continued operation of the railway, and I have no doubt that the necessary authorization would be given by section 2.

I do not know that section 3 is necessary at all. However, it cannot do any harm, and if the parties wish to have it in the bill I have no objection.

Now I come to section 4, and I doubt whether this is necessary at all. I should prefer not to have this section included, because in it admission is made that the railway operates in two provinces, and this admission ousts provincial jurisdiction. Under section 92 of the British North America Act the province has jurisdiction in relation to local works and undertakings other than:

Railways . . . connecting the province with any other or others of the provinces, or extending beyond the limits of the province.

It is admitted by the proposed legislation that the railway extends beyond the limits of the province, and therefore puts the matter out of provincial jurisdiction.

Hon. Mr. Lambert: May I interrupt my friend? I am not competent to discuss this constitutional question with a lawyer of his standing, but it appears to me that the provincial jurisdiction in both Ontario and Quebec applies simply to the existence of property rights in each province, and not so much to the operation of the railway interprovincially. Because the railway is operated interprovincially the matter comes under the Railway Act.

Hon. Mr. Leger: The legislation would be just as faulty that way. I am not opposing the measure; I am just trying to be helpful. My suggestion is that this bill should follow what has been directed or hinted at in a case from which I shall presently quote. I am referring to the Railway Act of Canada, third edition, edited by MacMurchy and Spence, the latest edition I could find in the library. Section 7, page 42, reads:

Where any railway, the construction or operation of which is authorized by a special act passed by the legislature of any province, is declared, by any act of the Parliament of Canada, to be a work for the general advantage of Canada, this Act shall apply to such railway—

and so on.

The enactment of this section made it clear that after a declaration that a railway is for the general advantage of Canada—

It has been so declared here.

—it must refer exclusively to the dominion act for a definition of its powers, duties and obligations in any case in which the provincial and dominion legislation clash even though it had been incorporated by and had been previously proceeding under powers conferred upon it by a provincial legislature.

Reading further from the same page:

Where a railway company is incorporated by Act of the Parliament of Canada—

That applies here.

—(a) conferring powers to operate beyond as well as within a province—

That also applies here.

—and (b) declaring its undertaking to be for the general advantage of Canada, it is exclusively within dominion jurisdiction and a province cannot impose conditions precedent to the exercise of its powers.

At page 43 of the text, I find these words:

Parliament has power to modify or repeal a declaration under section 92 of the British North America Act that a provincial railway undertaking is for the general advantage of Canada.

This measure has been declared to be for the general advantage of Canada, but I see nothing in the bill which shows that parliament has attempted to repeal the declaration under section 92. My argument is that until the declaration is repealed it must stand.

Reading further from page 43:

By appropriate legislation a portion of a dominion railway may be transferred to a provincial jurisdiction.

That is what we are attempting to do here.

Mr. Justice Duff had this to say:

"The dominion legislation authorising the transfer to the provincial company of the property of the dominion railway company involved by necessary implication a declaration that such property, when transferred, should no longer be part of a work for the general advantage of Canada; I entertain no doubt that such a declaration by the Dominion Parliament made with the concurrence of the Quebec legislature—

This was a Quebec case.

—"would be entirely effective to remove the property transferred from the Dominion jurisdiction under secs. 91 (29) and 92 (10) of the British North America Act."

I would suggest that instead of making the Railway Act inapplicable and attempting by legislation to transfer property from the dominion jurisdiction to that of the province, this bill should follow the suggestion made by Mr. Justice Duff, to the effect that by appropriate legislation the railway can be transferred from one jurisdiction to the other; that is, by declaration that the railway is no longer a work for the general advantage of Canada.

I think that sections 1 and 2 of the bill contain everything that is necessary, except the declaration that the railway is to be transferred from one jurisdiction to the other. Therefore, I would suggest that after the word "property" in section 2 we should add these words: "which is hereby declared to have ceased to be a part of a work for the general advantage of Canada".

In my opinion section 4 of the bill is unnecessary, and should be deleted. I do not think there would be any question that the railway could then operate under the jurisdiction of Ontario. To my mind it would be unnecessary to obtain any legislation from the province of Quebec, because to apply for it would be to admit that the railway was operating in two provinces.

I am a little doubtful about the purpose of section 5 of the bill. The reason given for it is that the Winding-up Act does not apply to building societies or to railway or telegraph companies. There are reasons for excluding these organizations. The explanatory note on that section reads:

In the absence of the proposed section, there is no legislative authority under which the company could be wound-up.

—I am inclined to doubt that. I think they could, and that they should apply to the Transport Commissioners and obtain directions. The board is constituted a court, and in such matters as directly pertain to it has exclusive jurisdiction. So it seems to me the mode of procedure would be to obtain a direction from the board and then, having acted under their instructions, resort if necessary to parliament for repeal or amendment of the Act.

I do not want to hinder the passage of this bill. I have tried to be constructive and to do everything within my power, as I understand the measure, to make it more workable.

Hon. Mr. Lambert: I am grateful to the honourable senator for his contribution to the discussion, and in view of the point he has raised I think it would be advisable, if the Senate so agrees, to have the bill dealt with tomorrow morning by the Banking and Commerce Committee, who meet at that time, and who no doubt will expedite action with a view to third reading the same day. That is my suggestion, if my honourable friend is willing that the bill shall receive second reading now.

Hon. Mr. Leger: Oh, yes.

Hon. Arthur W. Roebuck: I believe the honourable senator from L'Acadie (Hon. Mr. Leger) has made a distinct contribution to this debate: he has, at least, studied in advance the constitutional and other issues involved. But I think we should go ahead, because even if the doubts he has raised are of substance, no very great harm will be done in incorporating the company on the terms proposed; and that for three different reasons. This railroad is under dominion jurisdiction and not under that of a province; it connects one province with another; it has been declared for the general advantage of Canada, and it is being incorporated by this measure under dominion jurisdiction. In these circumstances it is evidently a dominion railroad.

The doubt I have is whether under the British North America Act the Dominion Parliament may lawfully delegate its powers to the provinces, in bringing this railroad in its two wings, so to speak—one within the province of Ontario, the other in the province of

Quebec—under provincial law. It is very doubtful whether the courts would enforce a provision of that kind. But if they do not, it is not going to matter very much. If the court should declare that section 4 is not within our jurisdiction, the railroad will revert to other law, and no public harm would result. So I would support the passing of the bill.

The same thought applies to the criticism of section 5. If the Winding-up Act does not apply, if its application to this road is unconstitutional, it will not be applied, and other methods of winding-up, should winding-up ever become necessary, will be adopted. So I am not disposed to be unduly disturbed by the doubts which have been raised, and which I think are substantial. I believe we should go ahead and give the bill second reading at least. If its constitutionality seems more dubious after it comes out of committee, the situation can then be dealt with.

The motion was agreed to.

REFERRED TO COMMITTEE

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

Hon. Mr. Haig: That requires unanimous consent.

The Hon. the Speaker: I draw the attention of honourable senators to rule 119:

> No committee on any private bill originating in the Senate (of which notice is required to be given), is to consider the same until after one week's notice of the sitting of such committee has been posted up in the lobby;

The rule can be waived only with unanimous consent.

Hon. Mr. Haig: Agreed.

The Hon. the Speaker: Is it the pleasure of the Senate that leave be granted to suspend the rule?

Some Hon. Senators: Agreed.

The motion was agreed to.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Thursday, February 17, 1949

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

Prayers and routine proceedings.

INDUSTRIAL DEVELOPMENT BANK BILL

REPORT OF COMMITTEE

Hon. Mr. Copp presented the report of the Standing Committee on Banking and Commerce on Bill K, an Act to amend the Industrial Development Bank Act.

He said: Honourable senators, the committee have, in obedience to the order of reference of February 14, 1949, examined the said bill, and now beg leave to report the same without any amendment.

THIRD READING

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

Hon. Mr. Robertson: With leave of the Senate, I move the third reading of the bill.

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

PRIVATE BILL

REPORT OF COMMITTEE

Hon. Mr. Copp presented the report of the Standing Committee on Banking and Commerce on Bill I, an Act to incorporate Canadian Home Assurance Company.

He said: Honourable senators, the committee have, in obedience to the order of reference of February 10, 1949, examined the said bill, and now beg leave to report the same without any amendment.

THIRD READING

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

Hon. Mr. Copp: With leave, I move the third reading now.

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

PRIVATE BILL

REPORT OF COMMITTEE

Hon. Mr. Copp presented the report of the Standing Committee on Banking and Commerce on Bill L, an Act respecting the Corporation of the City of Ottawa, Ottawa Transportation Commission and the Ottawa Electric Railway Company.

He said: Honourable senators, the committee have, in obedience to the order of reference of February 16, 1949, examined the said bill, and now beg to report the same without any amendment.

THIRD READING

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

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

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

BUSINESS OF THE SENATE

Hon. Mr. Roberston: Honourable senators, I should like to discuss the order of business for this afternoon, and at the same time acquaint honourable senators with the program which I have in mind for the next two weeks.

First, as to the order of business, I would ask that Motion No. 2, when it is called, stand until later in the sitting, so that I may proceed to close the debate on Bill 11, an Act to approve the Terms of Union of Newfoundland with Canada. Then, if the house gives second reading to this bill, I would ask that we revert to the motion. I may say that if the legislation respecting Newfoundland is passed today, it is intended that it shall receive Royal Assent tomorrow afternoon at approximately six o'clock, when I hope there will be a good representation in the chamber.

I have given careful consideration to the question of what business is likely to come before the Senate in the next two weeks, and, as far as I can ascertain, there seems to be no good reason for honourable members to meet during that period. I have never hesitated to ask the Senate to sit whenever it has had a reasonable amount of business to attend to, and honourable members have always cheerfully and willingly agreed. But as I see no public interest that would suffer by reason of a recess, when the house adjourns tomorrow evening I shall move that it stand adjourned until Tuesday, March 8, at 8 p.m.

Before the Senate takes an adjournment, it is customary to move a motion authorizing His Honour the Speaker to recall honourable members in the remote event that unforeseen circumstances should make it necessary for the Senate to resume before the date fixed for the end of the adjournment. I therefore give notice now that tomorrow I shall move:

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 as registered with the Clerk of the Senate to meet at a time earlier than than set out in the motion for such adjournment, and non-receipt by any one or more honourable senators of such call shall not have any effect upon the sufficiency and validity thereof.

Hon. John T. Haig: Honourable senators, I heartily agree with the suggestion that motion No. 2 stand over until item No. 1 on the Order Paper has been considered.

This gives me an opportunity to say something that I have been wanting to say. I think that the next time our rules are amended there should be inserted a provision, such as is to be found in the rules of most legislatures, so far as my experience goes, that certain days of the week—say Monday, Wednesday and Friday—are government days, and the remaining days are private members' days. On government days the honourable leader of the house could call for consideration of any government item on the Order Paper that he wished to advance, but on the other days private members' legislation would take precedence. I think that would be of great advantage, not only to the government but to private members. As we know, it frequently happens that government legislation, or the Address in reply to the Speech from the Throne or something of that kind, is discussed day after day until perhaps a quarter to six, when a few minutes are devoted to some private bill. We none of us like to suggest that a bill sponsored by a private member should be held over for another day, yet in these circumstances we sometimes feel that a private bill does not receive the consideration it deserves.

As to the proposed adjournment, I was secretly hoping that it would be until the 14th of March. I am not criticizing the leader of the government at all, for I know that before making his announcement he has been in consultation with the Prime Minister. I am afraid, though, that the Prime Minister is unduly optimistic in thinking that much legislation will be put through the other house in the next two or three weeks. There being a possibility of an election within the next fifteen months, and human nature being what it is, many honourable members of the other house will wish to make speeches designed to influence their constituents. I am doubtful that much legislation will come over to us from the other place within the next two weeks. However, it is our duty and responsibility to be here on the date fixed for resuming, and we shall discharge that responsibility.

I for one have long felt that we would be much better liked by the public if we did five solid days of work every week for two or three weeks and then took a couple of weeks recess, instead of meeting for an hour or an hour and a half daily for three days a week, which seems like puttering around. I wish to repeat that I am not criticizing the leader of the government. On the contrary, I entirely endorse what he is doing. He was kind enough to let me know what he intended to propose to the house, and I appreciate his courtesy.

NEWFOUNDLAND-CANADA UNION BILL

SECOND READING

The Senate resumed from yesterday, the adjourned debate on the motion of Hon. Mr. Copp for the second reading of Bill 11, an Act to approve the Terms of Union of Newfoundland with Canada.

Hon. Wishart McL. Robertson: Honourable senators, although circumstances beyond my control made it impossible for me to present this measure for your consideration, I am grateful that I have the opportunity of closing the debate. I have read with the greatest interest the discussion which has taken place in this chamber, and wish to join with those who have spoken in extending to the people of Newfoundland the warmest welcome to the confederation of Canada.

The speeches which have been made, honourable senators, are of the quality one would reasonably expect, having regard to the talent which exists among the members of this chamber and the very great occasion upon which they were exercised. The speeches were so uniformly good that it is difficult to select any particular one for comment. However, perhaps I will be pardoned by the other speakers if I say that while reading the address of the honourable senator for Vancouver (Hon. Mr. Farris) I was reminded of his remarks to me during the early sittings of the first committee appointed by the Canadian Government to negotiate with the first committee from Newfoundland. In private conversation with my honourable friend I had occasion to comment on matters generally in relation to Newfoundland, and made the observation that the proposed union would entail a very substantial financial obligation on the part of Canada. The honourable gentleman replied: "Of course the financial responsibility is always an important question, especially if it assumes unreasonable proportions. That is one thing. But my warning to you and to the government is that if you lose this opportunity for union between Canada and Newfoundland, the people of this country will hold you strictly responsible. If you have any objection to union on financial grounds, it must be exceedingly strong to satisfy the people of Canada, should union fail." I felt that the whole tone of my friend's speech reflected consistency in that regard.

It was my privilege fifteen years ago to sit in the gallery of the British House of Commons when the Commission Government of Newfoundland was brought into being. There seemed to be general agreement then that because of difficult world conditions in 1933 this was the best solution for all concerned. Undoubtedly it was. But I remember thinking, as I reflected on the long history of Newfoundland—paralleling for three hundred years that of my native province of Nova Scotia—that this surely would be only a temporary expedient, and that in due course the pride and rugged independence of the Newfoundland people would assert itself, and they would again seek and secure responsible government. It did not occur to me then that when the change came, it might take the form of union with Canada. In 1947 when that appeared to be a possibility, and a committee of the Canadian government was formed to meet a committee from Newfoundland to discuss possible terms, I was more than pleased to be made one of its members. I sat with the first committee in 1947, but was absent from Canada during 1948 while the second committee completed negotiation of the terms which are now before us for consideration. I am happy, indeed, that the temper of the house would seem to indicate that these terms meet with your hearty approval.

I feel quite certain that the people of Newfoundland did not elect to enter the confederation of Canada without certain doubts and fears. But doubts and fears existed in other provinces, particularly the Maritimes, when they originally joined confederation. I think perhaps I am in a position as good as, if not better than that of any other honourable senator to fully appreciate the viewpoint of some of those in Newfoundland who are opposed to confederation. Not only do I represent a province which joined confederation with great misgivings, but my whole upbringing, on both sides of the family, was in an atmosphere of anti-confederation. Prior to 1867, my paternal grandfather, as a member of the Nova Scotia Legislature, fought the confederation movement very strenuously, and after it was an accomplished fact supported a movement for its repeal. Time tends to soften one's viewpoint; but I vividly recollect that thirty years afterwards the old gentleman would reverently but firmly remove the Union Jack from the gate-post of our house on Dominion Day, saying as he did so that it could fly there on any day but the first of July. My maternal grandfather was engaged in the shipping business over one hundred years ago, when Nova Scotia's activities in that sphere were at their height. For years his enterprises were attended with great success; but some years after confederation the fortunes of Nova Scotia's wooden shipping industry declined, and while I am not sure that this was the direct result of confederation, there was a general tendency to consider that such was the case.

May I say now to the people of Newfoundland, and particularly to those who are opposed to confederation, that while I can appreciate their doubts and fears, I believe for more reasons than one that, on balance, their decision to join Canada was a wise one. Undoubtedly they were afraid, as were the Nova Scotians, that being a relatively small area with a relatively small population, in some way the majority, through sins of commission or omission, would do something which would be detrimental to their interests. The fears of the minorities cover a wide range, but let me say at once that the whole history of Canada, particularly since confederation, gives ample evidence that in the fields of religion, education and culture, and in all other phases of human activity, the people of Newfoundland have nothing whatever to fear. The almost universal experience of all parts of Canada is that in matters of this kind the greatest protection to minorities in Canada is the general good sense and broadmindedness of the majority.

That has been the history up to the present, and I believe it will be the record of the future. Should, however, any majority in the future so far forget this fact as to attempt to act otherwise, there stands in its way the Senate of Canada. The protection of minorities, as one of the cardinal principles of confederation, is embodied in the very composition and structure of the Senate. The Maritime Provinces, for instance, were given representation in the Senate entirely out of proportion to their numbers, either actual or potential, and the terms of the union of Newfoundland with Canada recognize the same principle. With a population of 300,000 people, Newfoundland is being given six representatives in a Senate of 102 members while her membership in the House of Commons, which is on a strictly mathematical basis, will be seven members in a house of 262. I am certain that the people of Newfoundland can enter Confederation with complete confidence so far as the future is concerned.

I have no doubt that the people of Newfoundland, like those of us from Nova Scotia, are fervently hoping for the maximum increase in the volume of our international trade. Their position and the nature of their natural resources make export markets no less important to them than to Canadians generally.

It is interesting to reflect that, at the moment when 300,000 people of Newfoundland are giving up part of their sovereignty in order to join a larger trading unit of 13 million people in Canada, the Canadian people themselves are contemplating closer relations with six other nations bordering on the North Atlantic which have within their boundaries over 250 million people. For the time being the accent is on matters of mutual defence. But I am sure that if that pact is concluded, the ink on the signatures of those representing the various participating countries will scarcely be dry when it will become apparent to all that it is equally desirable that these 250 million people join together in an economic sense, in order that their economies will be strengthened to enable them to discharge their obligations. In the past, those 250 million people and the various countries of the world which revolve in their orbit have been responsible for over seventy per cent of the world's trade. In the prospect that they will unite in economic matters as well as defence, lies the hope of mankind. Canada, I believe, is destined to play an important part in this great undertaking, and I am sure that the people of Newfoundland will contribute their fair share in making it a success.

Hon. Mr. Horner: I, too, welcome Newfoundland into the union. In the province of Saskatchewan, from which I come, there are many Newfoundlanders. Perhaps some honourable senator versed in legal matters can tell me whether this combine which Canada has agreed that Newfoundland shall carry on for five years—this raffle, if I may call it so, to which one pays $10,000 to join in—would conflict with the anti-combine laws of Canada were it to operate in all the provinces.

Hon. Mr. Haig: The honourable senator refers to the fisheries pool.

Hon. Mr. McLean: I believe that the arrangement with the fisheries board is subject to the local legislature, and that any recommendations they make will be submitted to the Minister of Fisheries, at which time changes can be made.

Hon. Mr. Horner: But is it not stipulated that this arrangement shall last for five years?

Hon. Mr. McLean: Changes can be made within that period upon the recommendation of the local legislature.

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

THIRD READING

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

Hon. Mr. Robertson: Now.

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

NEWFOUNDLAND-CANADA UNION

ADDRESS TO HIS MAJESTY

Hon. Wishart McL. Robertson: Honourable senators, I desire to revert to motion No. 2.

The Hon. the Speaker: With leave, the Senate will revert to motion No. 2.

Hon. Mr. Robertson moved:

That whereas by a memorandum of agreement entered into on the eleventh day of December, 1948, between Canada and Newfoundland, the terms of union of Newfoundland with Canada were agreed to, subject to approval by the Parliament of Canada and the Government of Newfoundland;

And whereas the terms of union provide that they shall come into force immediately before the expiration of the thirty-first day of March, 1949, if His Majesty has heretofore given His assent to an Act of the Parliament of the United Kingdom of Great Britain and Northern Ireland confirming the same;

And whereas the terms of union have been approved by the Parliament of Canada;

A humble Address be presented to His Majesty the King in the following words:—

To the King's Most Excellent Majesty:
Most Gracious Sovereign:

We, Your Majesty's most dutiful and loyal subjects, the Senate of Canada in Parliament assembled, humbly approach Your Majesty, praying that You may graciously be pleased to cause to be laid before the Parliament of the United Kingdom a measure containing the recitals and clauses hereinafter set forth to confirm and give effect to the terms of union agreed between Canada and Newfoundland;

An Act to confirm and give effect to the terms of union agreed between Canada and Newfoundland.

Whereas by means of a referendum the people of Newfoundland have by a majority signified their wish to enter into confederation with Canada;

And whereas the agreement containing terms of union between Canada and Newfoundland set out in the schedule to this act has been duly approved by the Parliament of Canada and by the Government of Newfoundland;

And whereas Canada has requested and consented to the enactment of an act of the Parliament of the United Kingdom to confirm and give effect to the said agreement and the Senate and House of Commons of Canada in Parliament assembled have submitted an address to His Majesty praying that His Majesty may graciously be pleased to cause a bill to be laid before the Parliament of the United Kingdom for that purpose;

Be it therefore enacted by the King's Most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:

1. The agreement containing terms of union between Canada and Newfoundland set out in the schedule to this Act is hereby confirmed and shall have the force of law notwithstanding anything in the British North America Acts, 1867 to 1946.

2. This Act may be cited as the British North America Act, 1949, and the British North America Acts, 1867 to 1946, and this Act may be cited together as the British North America Acts, 1867 to 1949.

(For full text of Terms of Union, see appendix at end of today's report.)

He said: Honourable senators undoubtedly are aware that, under the procedure which has been suggested by the government as desirable and necessary to be followed after the passing of Bill 11, to which the Senate has just given its consent, it is proposed that an Address be presented to His Majesty in the terms which I have already moved, and which is identical with the one that has been passed in the other place. I commend it to your consideration, as the final act in respect to Canada's participation and action in the historic incidents which will culminate in Newfoundland becoming part of the Canadian confederation.

On the subject in general, I do not know that I can add much to what has been so eloquently said on both sides by a representative group of senators in this house. In time to come, however, it may be that we shall feel even more intensely the great privilege and opportunity accorded us, as members of the Parliament of Canada, to participate in an act of such historic importance, and one which I hope and feel sure will be of great advantage to both Canada and Newfoundland. From what I know and have long known of the characteristics of the people of Newfoundland, I am convinced that they will make a great contribution to the confederation, and I welcome them from the bottom of my heart. I feel, however, in view of some of the criticism that has been made of the procedure, that it is necessary to refer briefly to the particular method.

The British North America Act, which created the Dominion of Canada, set up a federal system to govern this country. Under it matters of national concern were assigned to the legislative jurisdiction of the federal parliament, and matters of a local or private nature within the provinces were assigned to the jurisdiction of the provincial legislatures.

The Dominion Parliament consists of His Majesty, represented by the Governor General; an upper house, styled the Senate, and the lower house, known as the House of Commons. The Senate was set up particularly by the Fathers of Confederation to guard territorial and minority rights. The provincial legislatures were set up to legislate upon matters of a local or private nature within the provinces, not to defend or preserve the rights of minorities or of territories. Under the constitution, therefore, they have no right to ask to be consulted in matters affecting the national interest. The Fathers of Confederation wisely provided that such matters should be dealt with by the national parliament. Where, however, provincial rights are affected by an action of the Dominion Parliament which may infringe upon local or private matters, such for instance, as the alteration of the boundary of a province, the British North America Act, as amended, provides that the consent of the province must be obtained. For example, section 3 of the British North America Act, 1871, provides that:

> The Parliament of Canada may from time to time, with the consent of the legislature of any province of the said dominion, increase, diminish or otherwise alter the limits of such province, upon such terms and conditions as may be agreed to by the said legislature and may, with the like consent, make provision respecting the effect and operation of any such increase or diminution or alteration of territory in relation to any province affected thereby.

The entry of Newfoundland as a province of Canada was provided for in the original British North America Act of 1867. Indeed, representatives of the island of Newfoundland sat in with the representatives of the other provinces on the deliberations of the Quebec conference. For reasons which we need not go into here, Newfoundland did not enter the original confederation nor, in fact, did Prince Edward Island, whose representatives also sat in at the Quebec conference. The fact that both these colonies were not prepared to enter confederation in 1867 was well known at the time to all the provinces which did enter; but the way was left open for them to come in at a later date, and sections 146 and 147 of the Act were formulated with this object in view. Section 146 sets out a procedure whereby Newfoundland may enter confederation upon addresses from the houses of the Parliament of Canada and from the houses of the Legislature of the Province of Newfoundland being submitted to the Queen who, by the Act, is empowered by an order of the Imperial Privy Council to admit Newfoundland to the Dominion of Canada.

Since that section was enacted the situation with respect to Canada and Newfoundland has been altered from a constitutional viewpoint. Newfoundland no longer has a legislature. So some procedure other than an address of the legislature must be followed if Newfoundland is at this time to become a province of Canada. It has been agreed by the legal experts of Great Britain, Canada and Newfoundland that the procedure proposed by the government at this time is the one which commends itself to all parties concerned in the proposal. However, if a statute is to be passed by the Parliament at Westminster, in view of the Statute of Westminster it is necessary to recite in the Canadian Act that Canada has requested such a measure and has consented to its enactment by the Parliament of the United Kingdom in order to confirm and give effect to the present agreement. I therefore commend the present procedure to this house.

At the same time I desire to point out in the strongest possible terms that it is incumbent upon this house—which was set up by the Fathers of Confederation to protect minority and territorial rights—to satisfy itself that no territorial or minority interest will be prejudicially affected by the entry of Newfoundland as a province of Canada; and that it is the responsibility of this house, more especially under our constitution, to deal with this phase of the matter. If we are satisfied that this proposal to include Newfoundland in our dominion is in the interest of Canada, it is our duty so to declare, and to welcome the province and its citizens into our confederacy. If, on the other hand, we come to the conclusion that it is not in the interest of Canada to include Newfoundland as a province of our dominion, we should say so. But we should not, by any action we take in this house, delegate our responsibility as the protector and guardian of territorial and minority rights, to a province or provinces. I believe that Canada is a nation and should function as a nation.

Some Hon. Senators: Hear, hear.

Hon. John T. Haig: Honourable senators, it is not my intention to enter into a long argument on this motion. I am just as anxious as my honourable friend, the leader of the government in this house (Hon. Mr. Robertson), to see this part of British North America included in the Dominion of Canada.

Hon. Mr. Howard: Hear, hear.

Hon. Mr. Haig: The Fathers of Confederation, who were very able men, felt that this union was needed to round out our nation. After listening to the address by my honourable friend from Vancouver South (Hon. Mr. Farris) in which he referred to the original negotiations of 1895, I was glad that when I spoke on the second reading of Bill 11, I did not discuss the financial terms. Apparently $5 million was all that kept Newfoundland from joining Canada in 1895. Up to the time he discussed the terms by which Newfoundland would become part of Canada, I was entirely in agreement with the address of the honourable leader of the government (Hon. Mr. Robertson). I am sure that every Canadian is anxious to see this union take place, and the Senate is the one house in this country that can say to Newfoundland "We will give you protection to no end." But, as was suggested by my honourable friend from Vancouver South (Hon. Mr. Farris), some difficulty may arise from the proposed representation of Newfoundland in this house by six senators. Manitoba, with a population of 800,000, has only six senators; and Saskatchewan, with a population of a million people, also has only six members of this body. Alberta, which will some day be the richest province in the dominion—not excepting British Columbia—is represented by only six senators, as is also British Columbia, with a population of a million and a quarter.

I must say quite candidly that there will be a feeling in these provinces that Newfoundland will be enjoying greater proportionate representation in the Senate than they are. The original plan was to have territorial representation in the Senate, with one-quarter coming from the Prairie Provinces, one-quarter from Quebec, one-quarter from Ontario, and one-quarter from the four western provinces. In effect, this legislation gives the Maritime Provinces an additional six senators. I am not disputing that the British North America Act, 1867, provided that if Newfoundland were admitted to confederation it would be entitled to four senators, and that by an amendment in 1915 that number was increased to six. I am not concerned about that matter, nor about the question raised in the other house, but I think that those who raised it had good ground for doing so, even though on both sides it was a political question, and the Senate is not interested in it.

I intend to vote for the motion, but I cannot get out of my mind the fact that the Newfoundland convention whose duty it was to draft the ballot voted 29 to 16 against placing the question of confederation with Canada on the ballot. The members of that convention were representatives of the people, and the British government forced them to place that question on the ballot.

Hon. Mr. Beaubien: Were the members of the convention elected?

Hon. Mr. Haig: Yes, they were delegates elected for the purpose of considering this matter, and by a considerable majority they voted against placing the choice of confederation on the ballot.

Hon. Mr. Roebuck: They were afraid the public would vote in favour of it.

Hon. Mr. Haig: Well, the delegates were elected by the people, and our government is run by representatives chosen in that way. A referendum is another thing altogether. And I ask honourable members to note that the number of people who voted on the second referendum was far smaller than the number who voted on the first one. What I am wondering about is whether the Legislature of Newfoundland, if the people down there had been given the right to elect one, would have voted for confederation.

Hon. Mr. Howard: Sure.

Hon. Mr. Haig: My honourable friend says, "Sure"; but I am doubtful about that, in view of the vote by the convention delegates who, as I said, were elected by the people. I trust the people. I still trust them, even though I do not have to go to them for election.

Hon. Mr. Farris: May I ask my honourable friend a question?

Hon. Mr. Haig: Certainly.

Hon. Mr. Farris: Is the voice of the people more faithfully expressed through a secondary vote by representatives or through a direct vote of the people themselves?

Hon. Mr. Haig: In this country we have always adopted the secondary system—that of having the people's wishes expressed by their representatives.

Hon. Mr. Farris: Not always.

Hon. Mr. Haig: Well, nearly always. There has never been any other system used except as to some question on which the parties did not want to take a stand. In my province the liquor question is the only one that has been submitted to the people by a referendum. All parties are in favour of the sale of liquor, but their leaders do not want to say so publicly.

Hon. Mr. Farris: That does not answer my question.

Hon. Mr. Haig: My honourable friend from Toronto-Trinity (Hon. Mr. Roebuck) says the convention delegates did not want confederation placed on the ballot because they feared the people would vote for it. He apparently has no doubt that the legislature, if the people had had the right to elect one, would have voted for confederation. Well, if there had been a legislature and it had so voted, the question that is troubling me would not have arisen and Newfoundland would have become a province under the simple procedure provided by sections 146 and 147 of the British North America Act.

I have never been much concerned over the suggestion that the present provinces of Canada should have been consulted about the entry of Newfoundland, because that entry was contemplated by the Fathers of Confederation and, as I say, is specifically provided for in the British North America Act.

We all want Newfoundland to become part of Canada. I agree with the honourable leader of the government that this country will go out of its way to see that the new province is given a square deal. I plead with the Newfoundlanders who have been opposed to confederation to join with us in an endeavour to make our combined countries a greater nation than either country alone could ever become. Let them be assured that Canada will treat their province fairly. It will get at least as good a deal as it would have got if it had first elected its own legislature and that legislature had then voted to come in under the terms of the British North America Act.

We know that the federal treasury will pay to Newfoundland far more money than will be returned from that new province for many years. But history is a long tale. As I suggested the other day, the people of one hundred years from now will probably wonder whether Newfoundland did not realize that the money paid to her in return for confederating was a mere mess of pottage, because by that time the tremendous assets that Canada gained through the acquisition of the new province's resources in fish, timber and mines—and, above all, in people of sterling character—will be a matter of record. The Newfoundlanders, as we know from contact with them, are indeed a very fine people.

I have a theory, honourable senators, that people who have been brought up in a rough country where it has been necessary to struggle against the elements in order to make a living, are a better type than those who have always lived in the big cities under easier conditions. How often have we seen men who in their youth were subjected to a rough life become leaders in government, in science, industry and the professions? I confess that in my younger days I used to have a grudge against the Maritime Provinces. I have not seen much of that part of the country—

Hon. Mr. Robertson: You are a young man yet.

Hon. Mr. Haig: Yes, and I intend to go down there. In fact, I have already made a start by going to New Brunswick.

Hon. Mr. Copp: Then you have seen the best part of the country.

Hon. Mr. Haig: As a young man I was amazed at the number of prominent lawyers, doctors, preachers and professors who came from the Maritime Provinces, and I used to wonder what kind of place it was that produced such wonderful people.

Hon. Mr. Horner: They were raised without a baby bonus, too.

Hon. Mr. Haig: Yes, I believe they were.

I repeat that I intend to vote for the resolution, and I ask my colleagues on this side of the house to do the same. We pledge ourselves at all times, whether the party to which we belong is in office or in opposition, to do our best to make the new confederation

work to the entire satisfaction of Newfoundland as well as of all the other provinces.

The motion was agreed to, and honourable senators rose and sang "God Save the King."

BANKRUPTCY BILL

SECOND READING

Hon. Mr. Robertson moved the second reading of Bill N, an Act respecting Bankruptcy.

He said: Honourable senators, I have asked the honourable gentleman from Toronto (Hon. Mr. Hayden) to explain this bill.

Hon. Salter A. Hayden: Honourable senators, it is quite a jump from the discussion of the confederation of Newfoundland with Canada to a consideration of ordinary day-to-day realities of business and the more or less inevitable conditions that lead to the situation described as bankruptcy.

We have before us a bill which one can judge by its thickness contains many provisions. I assure honourable senators that it is not my intention to discuss them all in detail.

The history of bankruptcy legislation is quite interesting. The present Act came into force in 1919, and since 1932 has not been amended. In 1946 a bankruptcy bill was introduced in the Senate, and was later referred to a committee of this house which heard many witnesses representing various interests; even some of the bankruptcy judges presented their views on that legislation. Further consideration was given to the then proposed legislation, and last year a new bankruptcy bill was introduced in this house embodying most of the changes which had been recommended as a result of the hearings in the Senate committee. That bill was not proceeded with but was distributed throughout the country. We now have before us the bill in its revised form, and I may say that one would hardly recognize it from its likeness to the Act at present in force. Many and material changes are proposed. I wish to point out a few of the notable and some of the provocative sections, so that when the bill is dealt with in committee honourable senators will be familiar with them.

I wish first to deal with the provision relating to returns to be made by trustees. Apparently as a result of the requirements in provincial legislation and some federal statutes, trustees of bankrupt estates have been saddled with the tremendous burden of preparing returns. This duty is a heavy one, particularly if before bankruptcy the person or corporation was careless of his obligations under various acts requiring the making out of returns. I know of one instance where the trustee, an accountant, had to spend three weeks with another accountant in order to make up returns that the delinquent bankrupt should have made. It is the concept of the draftsman of this bill that a trustee is not appointed under the Bankruptcy Act for the purpose of doing things which the person declared bankrupt should have done. The obligation should continue to be that of the bankrupt, and the trustee should be free to serve the purpose intended—that is to work out the affairs of the bankrupt in the interest of his creditors. Therefore, sub-section 14 of section 8 provides:

> The trustee may not be required to make any returns which the bankrupt is required to make and has failed to make, notwithstanding any Act to the contrary.

Sub-section 15 of that section reads:

> The trustee shall at all reasonable times permit any authorized person to inspect the books and papers of the bankrupt in order to prepare or verify returns which the bankrupt is by statute required to file.

To get some idea of the multiplicity of returns required one has only to read the list in the explanatory notes opposite page 13. These apply only to the province of Ontario. I am quite sure that when this bill goes to committee objections will come from the Income Tax department down to various provincial departments which require returns.

I come now to perhaps the most provocative section in the bill, that dealing with the scheme of distribution or the priorities under which the assets of the bankrupt estate will be distributed. I refer to section 95, which commences at page 63. It is not my intention to deal with this section in detail, except to point out that the priority rights of bodies who function under federal authority or provincial enactment are very considerably changed. Section 125 of the present Act reads:

> Nothing in the four last preceding sections—

Those are the present sections dealing with priorities and the distribution of assets of bankrupt estates.

> —shall interfere with the collection of any taxes, rates or assessments payable by or levied or imposed upon the debtor or upon any property of the debtor under any law of the dominion, or of the province wherein such property is situate, or in which the debtor resides, nor prejudice or affect any lien or charge in respect of such property created by any such laws.

Honourable senators will note that the bill deals with that section in a revolutionary manner. The explanatory note of paragraph (j) of section 95(1) reads:

> All government claims, federal and provincial, take equal rank immediately before trade and other unsecured creditors.

On the page opposite 65 of the bill we find a "memorandum re priorities", which gives the explanation as to why the framers of this legislation think it time to make a change in

the priorities granted by federal and provincial legislation, which eat into the estate of the bankrupt and use up the assets which have been created by the creditors, thus depriving some classes of trade creditors of a fair share in the proceeds of the estate. That "memorandum re priorities" reads:

> The Bankruptcy Act recognizes the rights of secured creditors. It has also recognized the right of municipalities to be preferred for taxes and landlords for rent under their statutory liens. However, it cannot have been the intention that preferences should be accorded the large variety of claims which, because of the preferences they have received, now rank in priority before the claims of trade creditors and even, in some instances, before the costs of realizing the assets and administering the estate. The fact remains that, under the provisions of section 125—

I have just read that section.

> —of the Bankruptcy Act, various taxing authorities in the provinces have succeeded in obtaining by provincial legislation priority rankings in respect of their respective taxes to an extent that the stiuation concerning priorities has become chaotic, difficulty being experienced in many cases of determining the order in which the many conflicting priorities should rank without having to submit such matters to the courts for decision. In the province of Ontario, for instance, the following claims have priority over the claims of ordinary creditors.

Then follows an enumeration, containing twenty-one claims. The memorandum continues as follows:

> The Income Tax Act also establishes a special priority with respect to moneys collected at the source (section 112(6)). It is submitted that if a bankrupt has misappropriated trust funds he should be punished accordingly but that the creditors should not be penalized for his default. The ordinary law with respect to trust funds should apply; otherwise it should be provided for in this Act and not in some other Act and similar provisions should be made for moneys collected with respect to unemployment insurance, gasoline tax, amusement tax, etc.
>
> The situation respecting the existing preferences has become so inequitable, particularly as it concerns trade creditors whose goods usually furnish the proceeds from which such claims are paid, and so confused, that it is most desirable that the whole field be reviewed and that an entirely new, comprehensive and equitable scheme of priorities be established under the sole authority of the Bankruptcy Act.

We may expect that when this bill goes to committee, representations will be made by these governing bodies including the income tax branch, which have enjoyed priorities, to the end that their preferred position shall be maintained. But the issue is a provocative one, and there seems sound reason for a change in the interests of the class for whom presumably, bankruptcy legislation is designed, namely the trade creditors who are unpaid and who, having taken proceedings against the person who owes them money, find that while their assets are being sold to put the estate of the bankrupt in funds, so many priorities have climbed in ahead of them that the proceeds realized from their goods do not become available in any great measure for the satisfaction of their claims. In these circumstances, and having regard to the present list of priorities, it seems a misnomer to describe the Bankruptcy Act as being for the benefit of the trade creditor.

Hon. Mr. Davies: How are fees regulated under this bill?

Hon. Mr. Hayden: The tariff rates are continued, with some changes. Under the present Act, unless there is an agreement, or the court fixes his remuneration, the highest percentage to which the trustee is entitled is 5 per cent on realization. In the present bill his fee is increased to 7½ per cent. There is a tariff of fees for legal costs, with provisions for scaling down in proportion to the capital value of the estate. All these matters are covered in the proposed legislation.

Hon. Mr. Roebuck: Before my honourable friend goes on to another point, may I ask a question with regard to these priorities? In the event of bankruptcy, is it proposed to change the priority or the preference which governing bodies possess prior to bankruptcy? Perhaps I may make my question clearer. The governing bodies to which he has referred now have certain preferences in the matter of their claims. If this bill is passed, will the intervention of bankruptcy change the incidence of those preferences by advancing the claims of the trade creditors beyond their position under ordinary suit?

Hon. Mr. Hayden: As the result of a provision in the present bankruptcy law, plus the substantive legislation, federal and provincial, outside the Bankruptcy Act, a system of priorities has been built up. In the new bill there is nothing which corresponds to section 125 of the Act whereby priority is established wherever it is prescribed by federal or provincial enactment. Those priorities could be established under the present Act through action of the federal parliament or a provincial legislature to give, for example, priority in Ontario to the gasoline or the amusement tax, thus increasing the list of the priorities contained in the Act. That general authority does not exist in this bill: all government claims, federal and provincial, take equal rank immediately before trade and other unsecured creditors. In other words, following the passage of this measure the scheme of priorities outlined in the bill cannot be disturbed by federal and provincial enactment in such manner as to place federal and provincial government claims higher in the scheme of priorities than they are in this bill.

Governments still enjoy a preferred position, although a humbler one, down right next door to the ordinary trade and unsecured creditors. And there are no priorities as among federal and provincial government claims; they rank equally.

Hon. Mr. Kinley: What claims rank above those of the federal and provincial governments?

Hon. Mr. Hayden: For example, municipal taxes; costs of administration; certain wages and salaries up to $500; landlords' claims for arrears of rent; all indebtedness of the bankrupt under any workmen's compensation Act and any unemployment insurance act *pari passu;* claims resulting from injuries to employees of the bankrupt to which the provisions of any workmen's compensation Act do not apply. Then come claims of the Crown in right of Canada or of any province *pari passu* notwithstanding any statutory preference to the contrary.

So the scheme of the bill is two-fold. First, it is to provide a different plan of priorities; second, it seeks to establish a scheme of priorities under—and only under—the bankruptcy law itself. That is made clear in the explanatory note. No longer will it be necessary to collect and compile a list of priorities from provincial and federal statutes; the list is set out in this bill, and the order in which they appear must be followed.

Hon. Mr. Roebuck: I wonder whether the bill would provide trade creditors with an incentive to put a debtor into bankruptcy, so as to secure for their claims a better priority than they would have if the debtor did not go into bankruptcy?

Hon. Mr. Hayden: Of course I cannot speak on behalf of trade creditors; but I do not think it would. In other words, I do not think it would bring about a rush of bankruptcy petitions, because the basic situation of an act of bankruptcy by an insolvent person must exist. I would call attention to the fact that, at the present time, if you can establish an act of bankruptcy and the petitioning creditor has a claim of $500 or the sum total of the claims of petitioning creditors is $500, the basis for a petition in bankruptcy is established. Under the proposed legislation this amount of $500 is increased to $1,000. Incidentally, I do not think there would be a rush of bankruptcy petitions caused by an improved position, because I do not think the position would be improved that much.

Hon. Mr. Davies: Would the honourable senator please clarify the clause in regard to wage-earners? Did I understand him to say that if a manufacturer became bankrupt, and he owed his employees $1,000, they could get only fifty per cent?

Hon. Mr. Hayden: No. There is a priority in respect to wages. Section 95(d) provides as follows:

> wages, salaries, commissions or compensation of any clerk, servant, travelling salesman, labourer or workman for services rendered during three months next preceding the bankruptcy to the extent of five hundred dollars in each case, . . .

That is the priority list.

An Hon. Senator: Would the dollar position be any different?

Hon. Mr. Hayden: To answer that question one would have to make a particular analysis of the priorities that have been moved up in this scheme. Frankly, I am not prepared to give an answer to it now. One thing that I think this revision does is to leave more of the profits of the estate of the bankrupt available to be spread over more claims. I do not believe it confers too great a benefit on the unsecured creditor, because the unsecured creditor is still down at the bottom of the pile. Somehow or other he has to get through this mountain of priorities before he can be considered. Honourable senators will note that government and provincial claims have been moved down the list and more deserving claims have been moved up.

Hon. Mr. Roebuck: Such as?

Hon. Mr. Hayden: Such as the amount of wages that I have read, and the cost of administration. After all, if the estate is being carried on for the benefit of everyone, then the costs of administration should enjoy a high priority. Then there is a priority for municipal taxes and rent. Those things now go to the top of the list, and when they come off, the federal and provincial government claims which appear under this omnibus clause come in for consideration. They rank equally and there is no priority amongst themselves. Then comes the unsecured creditor. He is last in the scale of priorities and I do not think his position is improved.

Hon. Mr. Kinley: What about the bank?

Hon. Mr. Hayden: The bank usually gets itself into the position of being a secured creditor.

The next item I want to deal with covers fraudulent preferences, and is to be found at page 47. As this section is legal in its implications I intend to refer to it only briefly. A multitude of legal precedents have been built up over fraudulent preferences in transfers by insolvent persons. The law courts have come to all sorts of conclusions, and there has been some difficulty in determining just what the proper principle of law is. There is an attempt to overcome this problem by a

simple change in the wording of section 64. You will see that instead of:

. . . with a view of giving such creditors a preference over the other creditors . . .

it now provides:

. . . resulting in any person or any creditor or any person in trust for such creditor or any surety or guarantor for the debt due to such creditor obtaining a preference, advantage . . .

Under the new bill it will be a fraudulent preference if within three months an insolvent person makes a transfer which results in giving any person an advantage or preference over other creditors.

There are other sections to which I should like to direct the attention of honourable senators, because they introduce into the bankruptcy law what I regard as new ideas. The first deals with the disclosure that a debtor must make after he has been put in bankruptcy. If honourable senators look at the bottom of page 73 they will see that provision is made for the duties of the bankrupt. Section 117, paragraph (f), reads as follows:

The bankrupt shall make disclosure to the trustee of all property disposed of within one year preceding his bankruptcy, or for such further antecedent period as the court may direct, and how and to whom and for what consideration any part thereof was disposed of except such part as had been disposed of in the ordinary manner of trade or used for reasonable personal expenses.

That is completely new, because under the existing Act no duty is imposed on the bankrupt to disclose prior alienations. It may be, honourable senators, that in committee you will argue that too much searching and inquiring is made into the affairs of a person who, unfortunately, has become bankrupt.

New bankruptcy offences have been created, and are to be found in section 156, page 94. This section struck me as being rather novel, but apparently it derives from the English Act. Paragraph (g) deals with bankruptcy offences for which a bankrupt may be prosecuted. It provides:

Any bankrupt who has within the two years preceding his bankruptcy materially contributed to or increased the extent of his insolvency by gambling or by rash or hazardous speculations not connected with his trade or business, in determining which the financial position of the bankrupt at the time when such events occurred shall be taken into consideration. . .

That is pretty wide and sweeping, and is a kind of paternalism that I do not know that I am prepared to follow.

Hon. Mr. Léger: Perhaps it will affect some card players.

Hon. Mr. Hayden: Yes. It will cover poker games for high stakes, betting on the races, and all that sort of thing. If a person becomes bankrupt he had better look to it that his previous life, so far as any betting was concerned, was a model one.

Hon. Mr. Roebuck: Bingo games might be interfered with.

Hon. Mr. Hayden: Yes, I think they definitely would be on the black list. Section 156 says:

Any bankrupt who
(g) has within the two years preceding his bankruptcy materially contributed to or increased the extent of his insolvency by gambling or by rash or hazardous speculations not connected with his trade or business . . . is guilty of an offence and is liable on summary conviction to imprisonment for a term not exceeding one year or on conviction under indictment to imprisonment for a term not exceeding three years.

That is a rather severe penal clause.

Hon. Mr. Aseltine: Who is responsible for that clause?

Hon. Mr. Hayden: Well, it is in the English Act, and apparently it was decided to try it out in Canada. Frankly, if I may express my personal view, as I have always felt I have the right to do, I do not think that clause belongs in the bill. However, that is for this house to say.

Hon. Mr. Haig: Does that apply to bridge losses too?

Hon. Mr. Hayden: Well, some of the bidding that I have observed in bridge games would certainly come under the heading of "rash or hazardous speculations".

I pass on. The bill provides for many material changes in the Act: some of them are merely clarifications and others are decided improvements. I do not propose to go into a detailed discussion of them this afternoon.

I should point out that one of the improvements is in the part of the bill dealing with the proposals that a bankrupt or insolvent person may make. The present law makes no provision whereby a person approaching the stage of insolvency may submit a proposal to his creditors. Even if he does get his creditors together and, apart from the Bankruptcy Act, make a deal with them, his default on a proposal to compose his obligations is not an act of bankruptcy. The present bill provides procedure for the making of proposals. If an insolvent person follows that procedure and afterwards makes default in living up to the proposal, that in itself becomes an act of bankruptcy. One difficulty under the present statute is that while an insolvent person is trying to work out a proposal, the period during which it is necessary to have an act of bankruptcy in order to file a petition has gone by, and that works to the detriment of the creditors.

The bill also contains an automatic procedure for the discharge of the bankrupt.

Apparently the last person thought of under the present Act is the bankrupt himself. The trustee goes ahead and liquidates the estate, collects the accounts, pays off the claims, gets his remuneration and is discharged; but the poor bankrupt is left in the air. Now a simplified automatic procedure for the discharge of the bankrupt is provided in order to enable him to get rid of his difficulties and problems and come out of the bankruptcy.

Hon. Mr. Davies: Is a bankrupt's household furniture subject to seizure?

Hon. Mr. Hayden: Provincial law provides certain exemptions for debtors. You cannot take a man's last stick of furniture.

Hon. Mr. Aseltine: And a house up to $4,000 is exempted.

Hon. Mr. Hayden: May I briefly touch on a few other provisions in the bill! Some of them make changes aimed at greater clarity and better administration. These deal with such matters as proceedings at meetings of creditors, and the duties of inspectors, who are required to exercise greater care and responsibility than hitherto. The bill makes all claims provable in bankruptcy. There is a simplified procedure for administration of what might be called small estates; that is where the total realizable value of the estate after the secured creditors have been paid does not amount to more than $500.

The Supreme Court of Newfoundland is included among the courts that are specifically given bankruptcy jurisdiction. Then the powers of the registrars have been expanded and clarified. The bill also provides that there shall be no appeal as of right from a decision of the bankruptcy judge, but that an appeal may be taken only by leave of the court to which one proposes to appeal. The provisions with respect to legal costs have been revised, and I would say that in some small measure recognition has been given to the fact that we are living in 1949 and not in 1924 or 1930.

I have already referred to the bankruptcy offences. They have been revised, greatly condensed and clarified, so that it is much easier to follow the series of bankruptcy offences under the bill than under the present act.

All the provisions of the Act are made applicable to the Crown.

Hon. Mr. Roebuck: Will you be able to put the Crown in bankruptcy now?

Hon. Mr. Hayden: No. I should think there would be some difficulty in doing that, because the Crown can always pay its debts. My honourable friend and I, in common with every other citizen of Canada, have to provide the funds to support the crown.

Hon. Mr. Kinley: Can Crown companies be put into bankruptcy?

Hon. Mr. Hayden: Crown companies that are incorporated are of course treated in the same manner as any other companies, in so far as bankruptcy legislation is concerned. As to special emanations of the Crown, I certainly am not going to get into a discussion on their position, because it is difficult to reconcile some of the court decisions and my own thinking on the question is not clear. They do present a problem.

May I make this general statement with respect to the bill? I think it is putting it mildly to say that it represents a very considerable improvement over the present Act. That Act was passed in 1919, and prior to 1932 there were various amendments, but there have been none since then. In the course of the years experience has been gained in the administration of the Act, and practical difficulties have been noted. These experiences and difficulties are reflected in the bill that is now before us—in its general scheme, in its language, and in its provisions with respect to various officials, to the obligations of debtors, the priorities of creditors and the bankruptcy offences. They have all been correlated in a way that makes it easy to get an understanding and an appreciation of the Act. I would say that it has been done with considerable thoughtfulness, requiring a great deal of research of the bankruptcy laws of the United States, Great Britain and some other countries. Those foreign statutes have been consulted and, where practicable, provisions have been adopted. One can definitely say that this proposed legislation marks a change for the better in bankruptcy law.

Before concluding, I should like to compliment those who worked on the bill, and to sound a note of praise for the Senate committee on Banking and Commerce which sat so diligently in 1946 and heard representations from trustees, solicitors with wide practice in bankruptcy, and judges and registrars of the bankruptcy courts in various provinces. These witnesses related their experiences and voiced their objections to the existing Act and to the bill which was proposed at that time, which provided for great centralization of authority in the superintendent's office at Ottawa. All that information has been studied, and this bill is the result. The legislation is timely and marks a forward step. I am not claiming that it is perfect or that we will not make further changes in committee; but in the main it is evidence of our moving ahead as far as possible to more simplified procedure in dealing with bankruptcy matters.

Some Hon. Senators: Hear, hear.

Hon. Mr. Kinley: Would my friend care to say a word with respect to the relation of this bill which will be a federal statute—presumably under authority of trade and commerce—to provincial laws dealing with the same subject?

Hon. Mr. Hayden: That would of course take us into a larger field. Bankruptcy is a subject matter which comes exclusively under federal authority.

Hon. Mr. Léger: I think the honourable senator from Queens-Lunenburg (Hon. Mr. Kinley) is referring to the question of the indebtedness of $500 or less, which is exempt from the Bankruptcy Act.

Hon. Mr. Hayden: I have said that when an act of bankruptcy takes place, and the creditors get together and launch a petition for a receiving order, the total indebtedness to the petitioning creditor, or creditors, must amount to at least $1,000. Under the present Act it is $500.

Hon. Mr. Leger: That is the point.

Hon. Mr. Kinley: If I followed the remarks of my friend from Toronto, I take it that when certain provisions are made in the Bankruptcy Act the provinces can do nothing to vary them. However, under property and civil rights they can do a good deal that would seem to relate to this subject.

Hon. Mr. Hayden: That is getting into the constitutional aspect, but may I speak for a moment on the point?

Section 91 of the British North America Act enumerates specific matters which are under the exclusive authority of the federal parliament. Bankruptcy is one of them. In Section 92 there are various items set out which come under the authority of the provinces. One has only to refer to these sections to know in which category the subject belongs. Section 91 certainly gives exclusive authority to the federal government over bankruptcy, and if the dominion does not see fit to allow the provinces to establish their own classes of priority, they have no right to do so.

Hon. Mr. Kinley: What if the question were left open?

Hon. Mr. Hayden: Then the federal authority would have to provide permissive legislation, as in the present Bankruptcy Act, enabling the federal parliament or any provincial legislature to enact legislation to establish classes of priorities that are not given in the current Bankruptcy Act. However, in the new bill that right has been taken away, so that the provinces cannot establish their own priorities.

Hon. Mr. Roebuck: Honourable senators, may I say only a few words? I have long thought that the Bankruptcy Act could be improved. I have not studied this bill sufficiently to know whether or not it is the answer, but I may say that it has been of great advantage to listen to the explanation of the honourable senator from Toronto (Hon. Mr. Hayden). I rise at this time to express my appreciation to him for the clarity with which he has explained this proposed legislation.

Some Hon. Senators: Question!

The Hon. the Speaker: Honourable senators, the question is on the second reading of Bill N, an Act respecting Bankruptcy. Is it your pleasure to concur in the second reading of this bill?

Some Hon. Senators: Carried.

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

REFERRED TO COMMITTEE

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

The motion was agreed to.

PRIVATE BILL

SECOND READING

Hon. J. A. McDonald moved the second reading of Bill M, an Act respecting the Dominion Atlantic Railway Company.

He said: Honourable senators, the Dominion Atlantic Railway Company was incorporated by the federal parliament in 1895, and since then it has been in continuous operation. In 1912 it was leased to the Canadian Pacific Railway on a 999 year lease.

The railway extends from Yarmouth through Digby and Annapolis—the famous Evangeline land—to Windsor Junction; it has running rights over the Canadian National Railways line from Windsor Junction to Halifax, and operates branches from Windsor to Truro, Kentville to Kingsport and Weston to Soulnierville. It also has an up-to-date passenger and freight steamship service from Digby to Saint John. The railway operates an excellent summer hotel at Yarmouth, another at Digby, and the Cornwallis Inn, a year-round hotel at Kentville.

The present bill is for the purpose of rearranging to some extent the internal management of the company. It seeks to make three amendments to chapter 101 of the statutes of 1908. The first amendment will change section 7 of that Act so as to allow a maximum of ten directors instead of five.

This is asked for because it was found desirable to have on the directorate representatives of the people who live in the area in which the railway runs, and who naturally are interested in the success of its operations.

The bill proposes to repeal section 8 of the Act of 1908, which provided that three directors would hold office for one year and would retire in rotation. It has been found that the compulsory retirement of directors as required by this section of the Act has not proved to be in the best interests of the company. With the repeal of section 8, the directors' term of office will be regulated by the general provisions of the Railway Act in that regard, section 114 of which is as follows:

> The directors appointed at the last election, or those appointed in their stead in case of vacancy, shall remain in office until their successors are appointed.

The third and last amendment contained in this bill would repeal section 9 of the Act of 1908, and change the date of the annual meeting from the second Friday in October to the second Tuesday in April. As the company's financial year ends with the calendar year on December 31, it has been found impractical and not good business practice to have the annual meeting deferred until so late a date as the second Friday in October. It is felt, therefore, that the company should be empowered to hold its annual meeting in the month of April, at which time reports of the previous year's activities will be submitted.

I suggest that, if second reading is given to this bill, it be referred to the Standing Committee on Transport and Communications.

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

REFERRED TO COMMITTEE

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

The motion was agreed to.

DIVORCE BILLS

SECOND READINGS

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

Bill O, an Act for the relief of Francis Thomas Joseph Cleevely.

Bill P, an Act for the relief of Jack William Corber.

Bill Q, an Act for the relief of Mildred Ida Acres Wells.

Bill R, an Act for the relief of Wilhelmina Doris Guenette Parkes.

Bill S, an Act for the relief of Anita Phyllis Ticktin Sacks.

Bill T, an Act for the relief of Sylvia Feldman Blant.

Bill U, an Act for the relief of Doris Arvilla Jackson Legassick.

Bill V, an Act for the relief of Rose Klein Levin.

Bill W, an Act for the relief of Thelma Wilhelmina Wintonyk Colter.

Bill X, an Act for the relief of Doris MacArthur Richards Arnold.

Bill Y, an Act for the relief of Mary Matheson Baker.

Bill Z, an Act for the relief of Vivian Pauline Davies White.

Bill A-1, an Act for the relief of Helen Hawthorne Kuhn Ellis.

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

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

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

FIRST READINGS

Hon. Mr. Aseltine presented the following bills:

Bill B-1, an Act for the relief of Joseph Octave Jules Lapointe.

Bill C-1, an Act for the relief of Nena Ruthen Teitelbaum.

Bill D-1, an Act for the relief of Annie Gwendoline Mabel Gammon Noble.

Bill E-1, an Act for the relief of Margaret Catherine McDonald White.

Bill F-1, an Act for the relief of Howard Vincent Jones.

Bill G-1, an Act for the relief of Matilda Schneider Hutter.

Bill H-1, an Act for the relief of Robert William Phillips.

Bill I-1, an Act for the relief of Ethel Rose Katz Cohen.

Bill J-1, an Act for the relief of Edith Cecelia Cole Williams.

Bill K-1, an Act for the relief of Agnes Mathieson Metsos.

Bill L-1, an Act for the relief of Dorothy Fern Brown Lacoste.

Bill M-1, an Act for the relief of Sylvia Barnett Shane.

Bill N-1, an Act for the relief of Louise Soltanoff Rudy.

Bill O-1, an Act for the relief of Armand Boisclair.

Bill P-1, an Act for the relief of Mary Robertson Pangman Elder.

Bill Q-1, an Act for the relief of Merilda Normand Maury.

Bill R-1, an Act for the relief of Janet Stevenson Ivory Stein.

Bill S-1, an Act for the relief of Reba Schulman Schecter.

Bill T-1, an Act for the relief of Helen Fulton Burns Clark.

Bill U-1, an Act for the relief of Lyford Homer George.

Bill V-1, an Act for the relief of Joan Winnifred Lewis Hawkins.

The bills were read the first time.

SECOND READINGS

Hon. Mr. Aseltine: I could not present these bills for first reading until the reports had been adopted; and with the consent of the house I would move that they be read the second time today, so that they can receive third reading tomorrow.

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

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

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

The Senate adjourned until tomorrow at 3 p.m.

29091—10½

APPENDIX

TERMS OF UNION OF NEWFOUNDLAND WITH CANADA

Memorandum of Agreement Entered into on the Eleventh Day of December, 1948, between Canada and Newfoundland.

Whereas a delegation appointed from its members by the National Convention of Newfoundland, a body elected by the people of Newfoundland, consulted in 1947 with the Government of Canada to ascertain what fair and equitable basis might exist for the union of Newfoundland with Canada;

Whereas, following discussions with the delegation, the Government of Canada sent to His Excellency the Governor of Newfoundland for submission to the National Convention a statement of terms which the Government of Canada would be prepared to recommend to the Parliament of Canada as a fair and equitable basis for union, should the people of Newfoundland desire to enter into confederation;

Whereas the proposed terms were debated in the National Convention in Newfoundland and were before the people of Newfoundland when, by a majority at a referendum held on the twenty-second day of July, 1948, they expressed their desire to enter into confederation with Canada;

Whereas the Governments of the United Kingdom, Canada and Newfoundland agreed after the referendum that representatives of Canada and Newfoundland should meet and settle the final terms and arrangements for the union of Newfoundland with Canada;

And whereas authorized representatives of Canada and authorized representatives of Newfoundland have settled the terms hereinafter set forth as the Terms of Union of Newfoundland with Canada;

It is therefore agreed as follows:

TERMS OF UNION

Union

1. On, from, and after the coming into force of these Terms (hereinafter referred to as the date of Union), Newfoundland shall form part of Canada and shall be a province thereof to be called and known as the Province of Newfoundland.

2. The Province of Newfoundland shall comprise the same territory as at the date of Union, that is to say, the island of Newfoundland and the islands adjacent thereto, the Coast of Labrador as delimited in the report delivered by the Judicial Committee of His Majesty's Privy Council on the first day of March, 1927, and approved by His Majesty in His Privy Council on the tweny-second day of March, 1927, and the islands adjacent to the said Coast of Labrador.

Application of the British North America Acts

3. The British North America Acts, 1867 to 1946, shall apply to the Province of Newfoundland in the same way, and to the like extent as they apply to the provinces heretofore comprised in Canada, as if the Province of Newfoundland had been one of the provinces originally united, except in so far as varied by these Terms and except such provisions as are in terms made or by reasonable intendment may be held to be specially applicable to or only to affect one or more and not all of the provinces originally united.

Representation in Parliament

4. The Province of Newfoundland shall be entitled to be represented in the Senate by six members, and in the House of Commons by seven members out of a total membership of two hundred and sixty-two.

5. Representation in the Senate and in the House of Commons shall from time to time be altered or readjusted in accordance with the British North America Acts, 1867 to 1946.

6. (1) Until the Parliament of Canada otherwise provides, the Province of Newfoundland shall for the purposes of the election of members to serve in the House of Commons, be divided into the electoral divisions named and delimited in the Schedule to these Terms, and each such division shall be entitled to return one member.

(2) For the first election of members to serve in the House of Commons, if held otherwise than as part of a general election, the Governor General in Council may cause writs to be issued and may fix the day upon which the polls shall be held, and, subject to the foregoing, the laws of Canada relating to by-elections shall apply to an election held pursuant to any writ issued under this Term.

(3) The Chief Electoral Officer shall have authority to adapt the provisions of The

Dominion Elections Act, 1938, to conditions existing in the Province of Newfoundland so as to conduct effectually the first election of members to serve in the House of Commons.

Provincial Constitution

7. The Constitution of Newfoundland as it existed immediately prior to the sixteenth day of February, 1934, is revived at the date of Union and shall, subject to these Terms and the British North America Acts, 1867 to 1946, continue as the Constitution of the Province of Newfoundland from and after the date of Union, until altered under the authority of the said Acts.

Executive

8. (1) For the Province of Newfoundland there shall be an officer styled the Lieutenant-Governor, appointed by the Governor General in Council by instrument under the Great Seal of Canada.

(2) Pending the first appointment of a Lieutenant-Governor for the Province of Newfoundland and the assumption of his duties as such, the Chief Justice, or if the office of Chief Justice is vacant, the senior judge, of the Supreme Court of Newfoundland, shall execute the office and functions of Lieutenant-Governor under his oath of office as such Chief Justice or senior judge.

9. The Constitution of the Executive Authority of Newfoundland as it existed immediately prior to the sixteenth day of February, 1934, shall, subject to these Terms and the British North America Acts, 1867 to 1946, continue as the Constitution of the Executive Authority of the Province of Newfoundland from and after the date of Union, until altered under the authority of the said Acts.

10. The Lieutenant-Governor in Council shall as soon as may be after the date of Union adopt and provide a Great Seal of the Province of Newfoundland and may from time to time change such seal.

11. All powers, authorities, and functions that under any statute were at or immediately prior to the date of Union vested in or exercisable by the Governor of Newfoundland individually, or in Council, or in Commission,

(a) as far as they are capable of being exercised after the date of Union in relation to the Government of Canada, shall be vested in and shall or may be exercised by the Governor General, with the advice, or with the advice and consent, or in conjunction with, the King's Privy Council for Canada or any member or members thereof, or by the Governor General individually, as the case requires, subject nevertheless to be abolished or altered by the Parliament of Canada under the authority of the British North America Acts, 1867 to 1946; and

(b) as far as they are capable of being exercised after the date of Union in relation to the Government of the Province of Newfoundland, shall be vested in and shall or may be exercised by the Lieutenant-Governor of the Province of Newfoundland, with the advice, or with the advice and consent, or in conjunction with, the Executive Council of the Province of Newfoundland or any member or members thereof, or by the Lieutenant-Governor individually, as the case requires, subject nevertheless to be abolished or altered by the Legislature of the Province of Newfoundland under the authority of the British North America Acts, 1867 to 1946.

12. Until the Parliament of Canada otherwise provides, the powers, authorities, and functions vested in or imposed on any member of the Commission of Government of Newfoundland, as such member or as a Commissioner charged with the administration of a Department of the Government of Newfoundland, at or immediately prior to the date of Union in relation to matters other than those coming within the classes of subjects by the British North America Acts, 1867 to 1946, assigned exclusively to the Legislature of a province, shall in the Province of Newfoundland be vested in or imposed on such person or persons as the Governor General in Council may appoint or designate.

13. Until the Legislature of the Province of Newfoundland otherwise provides, the powers, authorities, and functions vested in or imposed on any member of the Commission of Government of Newfoundland, as such member or as a Commissioner charged with the administration of a Department of the Government of Newfoundland, at or immediately prior to the date of Union in relation to matters coming within the classes of subjects by the British North America Acts, 1867 to 1946, assigned exclusively to the Legislature of a province, shall in the Province of Newfoundland be vested in or imposed on such person or persons as the Lieutenant-Governor in Council may appoint or designate.

Legislature

14. (1) Subject to paragraph two of this Term, the Constitution of the Legislature of Newfoundland as it existed immediately prior to the sixteenth day of February, 1934, shall, subject to these Terms and the British North America Acts, 1867 to 1946, continue as the Constitution of the Legislature of the Province of Newfoundland from and after the date of Union, until altered under the authority of the said Acts.

(2) The Constitution of the Legislature of Newfoundland in so far as it relates to the Legislative Council shall not continue, but the Legislature of the Province of Newfoundland may at any time re-establish the Legislative Council or establish a new Legislative Council.

15. (1) Until the Legislature of the Province of Newfoundland otherwise provides, the powers, authorities, and functions vested in or imposed on a Minister or other public officer or functionary under any statute of Newfoundland relating to the Constitution of the Legislature of Newfoundland as it existed immediately prior to the sixteenth day of February, 1934, shall, subject to these Terms and the British North America Acts, 1867 to 1946, be vested in or imposed on such person or persons as the Lieutenant-Governor in Council may appoint or designate.

(2) Until the Legislature of the Province of Newfoundland otherwise provides,

(a) the list of electors prepared pursuant to The List of Electors Act, 1947, shall be deemed to be the list of electors for the purposes of The Election Act, 1913, subject to the provisions of The Election Act, 1913, respecting supplementary lists of electors;

(b) the franchise shall be extended to female British subjects who have attained the full age of twenty-one years and are otherwise qualified as electors;

(c) the Coast of Labrador together with the islands adjacent thereto shall constitute an additional electoral district to be known as Labrador and to be represented by one member, and residents of the said district who are otherwise qualified as electors shall be entitled to vote; and

(d) the Lieutenant-Governor in Council may by proclamation defer any election in the electoral district of Labrador for such period as may be specified in the proclamation.

16. The Legislature of the Province of Newfoundland shall be called together not later than four months after the date of Union.

Education

17. In lieu of section ninety-three of the British North America Act, 1867, the following Term shall apply in respect of the Province of Newfoundland:

In and for the Province of Newfoundland the Legislature shall have exclusive authority to make laws in relation to education, but the Legislature will not have authority to make laws prejudicially affecting any right or privilege with respect to denominational schools, common (amalgamated) schools, or denominational colleges, that any class or classes of persons have by law in Newfoundland at the date of Union, and out of public funds of the Province of Newfoundland, provided for education,

(a) all such schools shall receive their share of such funds in accordance with scales determined on a non-discriminatory basis from time to time by the Legislature for all schools then being conducted under authority of the Legislature; and

(b) all such colleges shall receive their share of any grant from time to time voted for all colleges then being conducted under authority of the Legislature, such grant being distributed on a non-discriminatory basis.

Continuation of Laws

General

18. (1) Subject to these Terms, all laws in force in Newfoundland at or immediately prior to the date of Union shall continue therein as if the Union had not been made, subject nevertheless to be repealed, abolished, or altered by the Parliament of Canada or by the Legislature of the Province of Newfoundland according to the authority of the Parliament or of the Legislature under the British North America Acts, 1867 to 1946, and all orders, rules, and regulations made under any such laws shall likewise continue, subject to be revoked or amended by the body or person that made such orders, rules, or regulations or the body or person that has power to make such orders, rules, or regulations after the date of Union, according to their respective authority under the British North America Acts, 1867 to 1946.

(2) Statutes of the Parliament of Canada in force at the date of Union, or any part thereof, shall come into force in the Province of Newfoundland on a day or days to be fixed by Act of the Parliament of Canada or by proclamation of the Governor General in Council issued from time to time, and any such proclamation may provide for the repeal of any of the laws of Newfoundland that

(a) are of general application;

(b) relate to the same subject-matter as the statute or part thereof so proclaimed; and

(c) could be repealed by the Parliament of Canada under paragraph one of this Term.

(3) Notwithstanding anything in these Terms, the Parliament of Canada may with the consent of the Legislature of the Province of Newfoundland repeal any law in force in Newfoundland at the date of Union.

(4) Except as otherwise provided by these Terms all courts of civil and criminal jurisdiction and all legal commissions, powers, authorities, and functions, and all officers and functionaries, judicial, administrative, and ministerial, existing in Newfoundland at or immediately prior to the date of Union, shall continue in the Province of Newfoundland as if the Union had not been made, until altered, abolished, revoked, terminated, or dismissed by the appropriate authority under the British North America Acts, 1867 to 1946.

Supply

19. Any statute of Newfoundland enacted prior to the date of Union for granting to His Majesty sums of money for defraying expenses of, and for other purposes relating to, the public service of Newfoundland, for the financial year ending the thirty-first day of March, one thousand nine hundred and fifty, shall have effect after the date of Union according to its terms, until otherwise provided by the Legislature of the Province of Newfoundland.

Patents

20. (1) Subject to this Term, Canada will provide that letters patent for inventions issued under the laws of Newfoundland prior to the date of Union shall be deemed to have been issued under the laws of Canada, as of the date and for the term thereof.

(2) Canada will provide further that in the event of conflict between letters patent for an invention issued under the laws of Newfoundland prior to the date of Union and letters patent for an invention issued under the laws of Canada prior to the date of Union

(a) the letters patent issued under the laws of Newfoundland shall have the same force and effect in the Province of Newfoundland as if the Union had not been made, and all rights and privileges acquired under or by virtue thereof may continue to be exercised or enjoyed in the Province of Newfoundland as if the Union had not been made; and

(b) the letters patent issued under the laws of Canada shall have the same force and effect in any part of Canada other than the Province of Newfoundland as if the Union had not been made, and all rights and privileges acquired under or by virtue thereof may continue to be exercised or enjoyed in any part of Canada other than the Province of Newfoundland as if the Union had not been made.

(3) The laws of Newfoundland existing at the date of Union shall continue to apply in respect of applications for the grant of letters patent for inventions under the laws of Newfoundland pending at the date of Union, and any letters patent for inventions issued upon such applications shall, for the purposes of this Term, be deemed to have been issued under the laws of Newfoundland prior to the date of Union; and letters patent for inventions issued under the laws of Canada upon applications pending at the date of Union shall, for the purposes of this Term, be deemed to have been issued under the laws of Canada prior to the date of Union.

(4) Nothing in this Term shall be construed to prevent the Parliament of Canada from providing that no claims for infringement of a patent issued in Canada prior to the date of Union shall be entertained by any court against any person for anything done in Newfoundland prior to the date of Union in respect of the invention protected by such patent, and that no claims for infringement of a patent issued in Newfoundland prior to the date of Union shall be entertained by any court against any person for anything done in Canada prior to the date of Union in respect of the invention protected by such patent.

Trade Marks

21. (1) Canada will provide that the registration of a trade mark under the laws of Newfoundland prior to the date of Union shall have the same force and effect in the Province of Newfoundland as if the Union had not been made, and all rights and privileges acquired under or by virtue thereof may continue to be exercised or enjoyed in the Province of Newfoundland as if the Union had not been made.

(2) The laws of Newfoundland existing at the date of Union shall continue to apply in respect of applications for the registration of trade marks under the laws of Newfoundland pending at the date of Union and any trade marks registered upon such applications shall, for the purposes of this Term, be deemed to have been registered under the laws of Newfoundland prior to the date of Union.

Fisheries

22. (1) In this Term, the expression "Fisheries Laws" means the Act No. 11 of 1936, entitled "An Act for the creation of the Newfoundland Fisheries Board", the Act No. 14 of 1936, entitled "An Act to Prevent the Export of Fish Without Licence", the Act No. 32 of 1936, entitled "An Act to Amend the Newfoundland Fisheries Board Act (No. 11 of 1936)", the Act No. 37 of 1938, entitled "An Act Further to Amend the Newfoundland Fisheries Board Act, 1936", the Act No. 10 of 1942, entitled "An Act Respecting Permits for the Exportation of Salt Fish", the Act No. 39 of 1943, entitled "An Act Further to Amend the Newfoundland Fisheries Board Act, 1936", the Act No. 16 of 1944, entitled "An Act Further to Amend the Newfoundland Fisheries Board Acts, 1936-38", and the Act No. 42 of 1944, entitled "An Act Further to Amend the Newfoundland Fisheries Board Act, 1936", in so far as they relate to the export marketing of salted fish from Newfoundland to other countries or to any provinces of Canada.

(2) Subject to this Term, all Fisheries Laws and all orders, rules, and regulations made thereunder shall continue in force in the Province of Newfoundland as if the Union had not been made, for a period of five years

from the date of Union and thereafter until the Parliament of Canada otherwise provides, and shall continue to be administered by the Newfoundland Fisheries Board; and the costs involved in the maintenance of the Board and the administration of the Fisheries Laws shall be borne by the Government of Canada.

(3) The powers, authorities, and functions vested in or imposed on the Governor in Commission or the Commissioner for Natural Resources under any of the Fisheries Laws after the date of Union respectively be vested in or imposed on the Governor General in Council and the Minister of Fisheries of Canada or such other Minister as the Governor General in Council may designate.

(4) Any of the Fisheries Laws may be repealed or altered at any time within the period of five years from the date of Union by the Parliament of Canada with the consent of the Lieutenant-Governor in Council of the Province of Newfoundland and all orders, rules, and regulations made under the authority of any Fisheries Laws may be revoked or altered by the body or person that made them or, in relation to matters to which paragraph three of this Term applies, by the body or person that under the said paragraph three has power to make such orders, rules, or regulations under the Fisheries Laws after the date of Union.

(5) The Chairman of the Newfoundland Fisheries Board or such other member of the Newfoundland Fisheries Board as the Governor General in Council may designate shall perform in the Province of Newfoundland the duties of Chief Supervisor and Chief Inspector of the Department of Fisheries of the Government of Canada, and employees of the Newfoundland Fisheries Board shall become employees in that Department in positions comparable to those of the employees in that Department in other parts of Canada.

(6) Terms eleven, twelve, thirteen and eighteen are subject to this Term.

Financial Terms

Debt.

23. Canada will assume and provide for the servicing and retirement of the stock issued or to be issued on the security of Newfoundland pursuant to The Loan Act, 1933, of Newfoundland and will take over the Sinking Fund established under that Act.

Financial Surplus

24. (1) In this Term the expression "financial surplus" means the balances standing to the credit of the Newfoundland Exchequer at the date of Union (less such sums as may be required to discharge accounts payable at the date of Union in respect of appropriations for the public services) and any public moneys or public revenue (including loans and advances referred to in Term twenty-five) in respect of any matter, thing, or period prior to the date of Union recovered by the government of the Province of Newfoundland subsequent to the date of Union.

(2) Newfoundland will retain its financial surplus subject to the following conditions:

(a) one-third of the surplus shall be set aside during the first eight years from the date of Union, on deposit with the Government of Canada, to be withdrawn by the Government of the Province of Newfoundland only for expenditures on current account to facilitate the maintenance and improvement of Newfoundland public services, and any portion of this one-third of the surplus remaining unspent at the end of the eight-year period shall become available to the Province of Newfoundland without the foregoing restriction;

(b) the remaining two-thirds of the surplus shall be available to the Government of the Province of Newfoundland for the development of resources and for the establishment or extension of public services within the Province of Newfoundland; and

(c) no part of the surplus shall be used to subsidize the production or sale of products of the Province of Newfoundland in unfair competition with similar products of other provinces of Canada, but nothing in this paragraph shall preclude the Province of Newfoundland from assisting industry by developmental loans on reasonable conditions or by ordinary provincial administrative services.

(3) The Government of the Province of Newfoundland will have the right within one year from the date of Union to deposit with the Government of Canada all or any part of its financial surplus held in dollars and on the thirty-first day of March and the thirtieth day of September in each year to receive with respect thereto interest at the rate of two and five-eighths per centum per annum during a maximum period of ten years from the date of Union on the minimum balance outstanding at any time during the six-month period preceding payment of interest.

Loans

25. (1) The Province of Newfoundland will retain its interest in, and any securities arising from or attaching to, any loans or advances of public funds made by the Government of Newfoundland prior to the date of Union.

(2) Unless otherwise agreed by the Government of Canada, paragraph one of this Term shall not apply to any loans or advances

relating to any works, property, or services taken over by Canada pursuant to Term thirty-one or Term thirty-three.

Subsidies

26. Canada will pay to the Province of Newfoundland the following subsidies:

(a) an annual subsidy of $180,000 and an annual subsidy equal to 80 cents per head of the population of the Province of Newfoundland (being taken at 325,000 until the first decennial census after the date of union), subject to be increased to conform to the scale of grants authorized by the British North America Act, 1907, for the local purposes of the Province and the support of its Government and Legislature, but in no year shall sums payable under this paragraph be less than those payable in the first year after the date of Union; and

(b) An additional annual subsidy of $1,100,000 payable for the like purposes as the various fixed annual allowances and subsidies provided by statutes of the Parliament of Canada from time to time for the Provinces of Nova Scotia, New Brunswick, and Prince Edward Island or any of them and in recognition of the special problems of the Province of Newfoundland by reason of geography and its sparse and scattered population.

Tax Agreement

27. (1) The Government of Canada will forthwith after the date of Union make an offer to the Government of the Province of Newfoundland to enter into a tax agreement for the rental to the Government of Canada of the income, corporation income, and corporation tax fields, and the succession duties tax field.

(2) The offer to be made under this Term will be similar to the offers to enter into tax agreements made to other provinces, necessary changes being made to adapt the offer to circumstances arising out of the Union, except that the offer will provide that the agreement may be entered into either for a number of fiscal years expiring at the end of the fiscal year in 1952, as in the case of other provinces, or for a number of fiscal years expiring at the end of the fiscal year in 1957, at the option of the Government of the Province of Newfoundland, but if the Government of the Province of Newfoundland accepts the latter option the agreement will provide that the subsequent entry into a tax agreement by the Government of Canada with any other province will not entitle the Government of the Province of Newfoundland to any alteration in the terms of its agreement.

(3) The offer of the Government of Canada to be made under this Term may be accepted by the Government of the Province of Newfoundland within nine months after the date of the offer but if it is not so accepted will thereupon expire.

(4) The Government of the Province of Newfoundland shall not by any agreement entered into pursuant to this term be required to impose on any person or corporation taxation repugnant to the provisions of any contract entered into with such person or corporation before the date of the agreement and subsisting at the date of the agreement.

(5) If the Province of Newfoundland enters into a tax agreement pursuant to this term the subsidies payable under Term twenty-six will, as in the case of similar subsidies to other provinces, be included in the computation of tax agreement payments.

Transitional Grants

28. (1) In order to facilitate the adjustment of Newfoundland to the status of a province of Canada and the development by the Province of Newfoundland of revenue-producing services, Canada will pay to the Province of Newfoundland each year during the first twelve years after the date of Union a transitional grant as follows, payment in each year to be made in equal quarterly instalments commencing on the first day of April, namely,

First year	$6,500,000
Second year	6,500,000
Third year	6,500,000
Fourth year	5,650,000
Fifth year	4,800,000
Sixth year	3,950,000
Seventh year	3,100,000
Eighth year	2,250,000
Ninth year	1,400,000
Tenth year	1,050,000
Eleventh year	700,000
Twelfth year	350,000

(2) The Government of the Province of Newfoundland will have the right to leave on deposit with the Government of Canada any portion of the transitional grant for the first eight years with the right to withdraw all or any portion thereof in any subsequent year and on the thirty-first day of March and the thirtieth day of September in each year to receive in respect of any amounts so left on deposit interest at the rate of two and five-eighths per centum per annum up to a maximum period of ten years from the date of Union on the minimum balance outstanding at any time during the six-month period preceding payment of interest.

Review of Financial Position

29. In view of the difficulty of predicting with sufficient accuracy the financial consequences to Newfoundland of becoming a prov-

ince of Canada, the Government of Canada will appoint a Royal Commission within eight years from the date of Union to review the financial position of the Province of Newfoundland and to recommend the form and scale of additional financial assistance, if any, that may be required by the Government of the Province of Newfoundland to enable it to continue public services at the levels and standards reached subsequent to the date of Union, without resorting to taxation more burdensome, having regard to capacity to pay, than that obtaining generally in the region comprising the Maritime Provinces of Nova Scotia, New Brunswick, and Prince Edward Island.

Miscellaneous Provisions

Salaries of Lieutenant-Governor and Judges

30. The salary of the Lieutenant-Governor and the salaries, allowances, and pensions of the judges of such superior, district, and county courts as are now or may hereafter be constituted in the Province of Newfoundland shall be fixed and provided by the Parliament of Canada.

Public Services, Works and Property

31. At the date of Union, or as soon thereafter as practicable, Canada will take over the following services and will as from the date of Union relieve the Province of Newfoundland of the public costs incurred in respect of each service taken over, namely,

(a) the Newfoundland Railway, including steamship and other marine services;

(b) the Newfoundland Hotel, if requested by the Government of the Province of Newfoundland within six months from the date of Union;

(c) postal and publicly-owned telecommunication services;

(d) civil aviation, including Gander Airport;

(e) customs and excise;

(f) defence;

(g) protection and encouragement of fisheries and operation of bait services;

(h) geological, topographical, geodetic, and hydrographic surveys;

(i) lighthouses, fog alarms, buoys, beacons, and other public works and services in aid of navigation and shipping;

(j) marine hospitals, quarantine, and the care of ship-wrecked crews;

(k) the public radio broadcasting system; and

(l) other public services similar in kind to those provided at the date of Union for the people of Canada generally.

32. (1) Canada will maintain in accordance with the traffic offering a freight and passenger steamship service between North Sydney and Port aux Basques, which, on completion of a motor highway between Corner Brook and Port aux Basques, will include suitable provision for the carriage of motor vehicles.

(2) For the purpose of railway rate regulation the Island of Newfoundland will be included in the Maritime region of Canada, and through-traffic moving between North Sydney and Port aux Basques will be treated as all-rail traffic.

(3) All legislation of the Parliament of Canada providing for special rates on traffic moving within, into, or out of, the Maritime region will, as far as appropriate, be made applicable to the Island of Newfoundland.

33. The following public works and property of Newfoundland shall become the property of Canada when the service concerned is taken over by Canada, subject to any trusts existing in respect thereof, and to any interest other than that of Newfoundland in the same, namely,

(a) the Newfoundland Railway, including rights of way, wharves, drydocks, and other real property, rolling stock, equipment, ships, and other personal property;

(b) the Newfoundland Airport at Gander, including buildings and equipment, together with any other property used for the operation of the Airport;

(c) the Newfoundland Hotel and equipment;

(d) public harbours, wharves, breakwaters, and aids to navigation;

(e) bait depots and the motor vessel *Malakoff*;

(f) military and naval property, stores, and equipment;

(g) public dredges and vessels except those used for services that remain the responsibility of Newfoundland and except the nine motor vessels known as the Clarenville boats;

(h) the public telecommunication system, including rights of way, land lines, cables, telephones, radio stations, and other real and personal property;

(i) real and personal property of the Broadcasting Corporation of Newfoundland; and

(j) subject to the provisions of Term thirty-four, customs houses, and post-offices and generally all public works and property, real and personal, used primarily for services taken over by Canada.

34. Where at the date of Union any public buildings of Newfoundland included in paragraph (j) of Term thirty-three are used partly for services taken over by Canada and partly for services of the Province of Newfoundland the following provisions shall apply:

(a) where more than half the floor space of a building is used for services taken over by Canada the building shall become the property of Canada and where more than half the floor space of a building is used for services of the Province of Newfoundland the building shall remain the property of the Province of Newfoundland;

(b) Canada shall be entitled to rent from the Province of Newfoundland on terms to be mutually agreed such space in the buildings owned by the Province of Newfoundland as is used for the services taken over by Canada and the Province of Newfoundland shall be entitled to rent from Canada on terms to be mutually agreed such space in the buildings owned by Canada as is used for the services of the Province of Newfoundland;

(c) the division of buildings for the purposes of this Term shall be made by agreement between the Government of Canada and the Government of the Province of Newfoundland as soon as practicable after the date of Union; and

(d) if the division in accordance with the foregoing provisions results in either Canada or the Province of Newfoundland having a total ownership that is substantially out of proportion to the total floor space used for its services an adjustment of the division will be made by mutual agreement between the two Governments.

35. Newfoundland public works and property not transferred to Canada by or under these Terms will remain the property of the Province of Newfoundland.

36. Without prejudice to the legislative authority of the Parliament of Canada under the British North America Acts, 1867 to 1946, any works, property, or services taken over by Canada pursuant to these Terms shall thereupon be subject to the legislative authority of the Parliament of Canada.

Natural Resources

37. All lands, mines, minerals, and royalties belonging to Newfoundland at the date of Union, and all sums then due or payable for such lands, mines, minerals, or royalties, shall belong to the Province of Newfoundland, subject to any trusts existing in respect thereof, and to any interest other than that of the Province in the same.

Veterans

38. Canada will make available to Newfoundland veterans the following benefits, on the same basis as they are from time to time available to Canadian veterans, as if the Newfoundland veterans had served in His Majesty's Canadian forces, namely,

(a) The War Veterans' Allowance Act, 1946, free hospitalization and treatment, and civil service preference will be extended to Newfoundland veterans who served in the First World War or the Second World War or both;

(b) Canada will assume as from the date of Union the Newfoundland pension liability in respect of the First World War, and in respect of the Second World War Canada will assume as from the date of Union the cost of supplementing disability and dependants' pensions paid by the Government of the United Kingdom or an Allied country to Newfoundland veterans up to the level of the Canadian rates of pensions, and, in addition, Canada will pay pensions arising from disabilities that are pensionable under Canadian law but not pensionable either under the laws of the United Kingdom or under the laws of an Allied country;

(c) The Veterans' Land Act, 1942, Part IV of the Unemployment Insurance Act, 1940, The Veterans' Business and Professional Loans Act, and The Veterans Insurance Act will be extended to Newfoundland veterans who served in the Second World War;

(d) a re-establishment credit will be made available to Newfoundland veterans who served in the Second World War equal to the re-establishment credit that might have been made available to them under The War Service Grants Act, 1944, if their service in the Second World War had been service in the Canadian forces, less the amount of any pecuniary benefits of the same nature granted or paid by the Government of any country other than Canada;

(e) Canada will assume, as from the date of Union, the cost of vocational and educational training of Newfoundland veterans of the Second World War on the same basis as if they had served in His Majesty's Canadian forces; and

(f) sections six, seven, and eight of The Veterans Rehabilitation Act will be extended to Newfoundland veterans of the Second World War who have not received similar benefits from the Government of any country other than Canada.

Public Servants

39. (1) Employees of the Government of Newfoundland in the services taken over by Canada pursuant to these Terms will be offered employment in these services or in similar Canadian services under the terms and conditions from time to time governing employment in those services, but without reduction in salary or loss of pension rights acquired by reason of service in Newfoundland.

(2) Canada will provide the pensions for such employees so that the employees will not be prejudiced, and the Government of the Province of Newfoundland will reimburse Canada for the pensions for, or at its option make to Canada contributions in respect of, the service of these employees with the Government of Newfoundland prior to the date of Union, but these payments or contributions will be such that the burden on the Government of the Province of Newfoundland in respect of pension rights acquired by reason of service in Newfoundland will not be increased by reason of the transfer.

(3) Pensions of employees of the Government of Newfoundland who were retired on pension before the service concerned is taken over by Canada will remain the responsibility of the Province of Newfoundland.

Welfare and Other Public Services

40. Subject to these Terms, Canada will extend to the Province of Newfoundland, on the same basis and subject to the same terms and conditions as in the case of other provinces of Canada, the welfare and other public services provided from time to time by Canada for the people of Canada generally, which, in addition to the veterans' benefits, unemployment insurance benefits, and merchant seamen benefits set out in Terms thirty-eight, forty-one, and forty-two respectively, include family allowances under The Family Allowances Act, 1944, unemployment insurance under The Unemployment Insurance Act, 1940, sick mariners' benefits for merchant seamen and fishermen under the Canada Shipping Act, 1934, assistance for housing under The National Housing Act, 1944, and, subject to the Province of Newfoundland entering into the necessary agreements or making the necessary contributions, financial assistance under The National Physical Fitness Act for carrying out plans of physical fitness, health grants, and contributions under the Old Age Pensions Act for old age pensions and pensions for the blind.

Unemployment Insurance

41. (1) Subject to this Term, Canada will provide that residents of the Province of Newfoundland in insurable employment who lose their employment within six months prior to the date of Union and are still unemployed at that date, or who lose their employment within a two-year period after that date, will be entitled for a period of six months from the date of Union or six months from the date of unemployment, whichever is the later, to assistance on the same scale and under the same conditions as unemployment insurance benefits.

(2) The rates of payment will be based on the individual's wage record for the three months preceding his loss of employment, and to qualify for assistance a person must have been employed in insurable employment for at least thirty per centum of the working days within the period of three months preceding his loss of employment or thirty per centum of the working days within the period since the date of Union, whichever period is the longer.

Merchant Seamen

42. (1) Canada will make available to Newfoundland merchant seamen who served in the Second World War on British ships or on ships of Allied countries employed in service essential to the prosecution of the war, the following benefits, on the same basis as they are from time to time available to Canadian merchant seamen, as if they had served on Canadian ships, namely,

(a) disability and dependants' pensions will be paid, if disability occurred as a result of enemy action or counter-action, including extraordinary marine hazards occasioned by the war, and a Newfoundland merchant seaman in receipt of a pension from the Government of the United Kingdom or an Allied country will be entitled, during residence in Canada, to have his pension raised to the Canadian level; and

(b) free hospitalization and treatment, vocational training, The Veterans' Land Act, 1942, and The Veterans Insurance Act will be extended to disability pensioners.

(2) Vocational training, Part IV of The Unemployment Insurance Act, 1940, and The Veterans Insurance Act will be extended to Newfoundland merchant seamen who were eligible for a Special Bonus or a War Service Bonus, on the same basis as if they were Canadian merchant seamen.

(3) The Unemployment Insurance Act, 1940, and The Merchant Seamen Compensation Act will be applied to Newfoundland merchant seamen as they are applied to other Canadian merchant seamen.

Citizenship

43. Suitable provision will be made for the extension of the Canadian citizenship laws to the province of Newfoundland.

Defence Establishments

44. Canada will provide for the maintenance in the Province of Newfoundland of appropriate reserve units of the Canadian defence forces, which will include the Newfoundland Regiment.

Economic Survey

45. (1) Should the Government of the Province of Newfoundland institute an economic survey of the Province of Newfound-

land with a view to determining what resources may profitably be developed and what new industries may be established or existing industries expanded, the Government of Canada will make available the services of its technical employees and agencies to assist in the work.

(2) As soon as may be practicable after the date of Union, the Government of Canada will make a special effort to collect and make available statistical and scientific data about the natural resources and economy of the Province of Newfoundland, in order to bring such information up to the standard attained for the other provinces of Canada.

Oleomargarine

46. (1) Oleomargarine or margarine may be manufactured or sold in the Province of Newfoundland after the date of the Union and the Parliament of Canada shall not prohibit or restrict such manufacture or sale except at the request of the Legislature of the Province of Newfoundland, but nothing in this Term shall affect the power of the Parliament of Canada to require compliance with standards of quality applicable throughout Canada.

(2) Unless the Parliament of Canada otherwise provides or unless the sale and manufacture in, and the interprovincial movement between, all provinces of Canada other than Newfoundland, of oleomargarine and margarine, is lawful under the laws of Canada, oleomargarine or margarine shall not be sent, shipped, brought, or carried from the Province of Newfoundland into any other province of Canada.

Income Taxes

47. In order to assist in the transition to payment of income tax on a current basis Canada will provide in respect of persons (including corporations) resident in Newfoundland at the date of Union, who were not resident in Canada in 1949 prior to the date of Union, and in respect of income that under the laws of Canada in force immediately prior to the date of Union was not liable to taxation, as follows:

(a) that prior to the first day of July, 1949, no payment will be required or deduction made from such income on account of income tax;

(b) that for income tax purposes no person shall be required to report such income for any period prior to the date of Union;

(c) That no person shall be liable to Canada for income tax in respect of such income for any period prior to the date of Union; and

(d) that for individuals an amount of income tax for the 1949 taxation year on income for the period after the date of Union shall be forgiven so that the tax on all earned income and on investment income of not more than $2,250 will be reduced to one-half the tax that would have been payable for the whole year if the income for the period prior to the date of Union were at the same rate as that subsequent to such date.

Statute of Westminster

48. From and after the date of Union the Statute of Westminster, 1931, shall apply to the Province of Newfoundland as it applies to the other Provinces of Canada.

Saving

49. Nothing in these Terms shall be construed as relieving any person from any obligation with respect to the employment of Newfoundland labour incurred or assumed in return for any concession or privilege granted or conferred by the Government of Newfoundland prior to the date of Union.

Coming into Force

50. These Terms are agreed to subject to their being approved by the Parliament of Canada and the Government of Newfoundland; shall take effect notwithstanding the Newfoundland Act, 1933, or any instrument issued pursuant thereto; and shall come into force immediately before the expiration of the thirty-first day of March, 1949, if His Majesty has theretofore given His Assent to an Act of the Parliament of the United Kingdom of Great Britain and Northern Ireland confirming the same.

Signed in duplicate at Ottawa this eleventh day of December, 1948.

On behalf of Canada:

"Louis S. St. Laurent"
"Brooke Claxton"

On behalf of Newfoundland:

"Albert J. Walsh"
"F. Gordon Bradley"
"Philip Gruchy"
"John B. McEvoy"
"Joseph R. Smallwood"
"G. A. Winter"

SCHEDULE

In this Schedule the expression "District" means District as named and delimited in the Act 22 George V, Chapter 7 entitled "An Act to amend Chapter 2 of the Consolidated Statutes of Newfoundland (Third Series) entitled 'Of the House of Assembly' ".

Grand Falls-White Bay shall consist of the Districts of White Bay, Green Bay, and Grand Falls, and all the territory within a radius of five miles of the Railway Station at

Gander, together with the Coast of Labrador and the Islands adjacent thereto.

Bonavista-Twillingate shall consist of the Districts of Twillingate, Fogo, Bonavista North, and Bonavista South, but shall not include any part of the territory within a radius of five miles from the Railway Station at Gander.

Trinity-Conception shall consist of the Districts of Trinity North, Trinity South, Carbonear-Bay de Verde, Harbour Grace, and Port de Grave.

St. John's East shall consist of the District of Harbour Main-Bell Island and that part of the Province bounded as follows, that is to say: By a line commencing at a point where the centre line of Beck's Cove Hill intersects the north shore of the Harbour of St. John's, thence following the centre line of Beck's Cove Hill to the centre of Duckworth Street, thence westerly along the centre line of Duckworth Street to the centre of Theatre Hill, thence following the centre line of Theatre Hill to the centre of Carter's Hill, thence following the centre line of Carter's Hill and Carter's Street to the centre of Freshwater Road, thence following the centre line of Freshwater Road to its intersection with the centre of Kenmount Road, and thence along the centre line of Kenmount Road to its intersection with the North Eastern boundary of the District of Harbour Main-Bell Island, thence along the said North Eastern boundary of the District of Harbour Main-Bell Island to the shore of Conception Bay and thence following the coastline around Cape St. Francis and on to the Narrows of St. John's Harbour and continuing along by the North Shore of St. John's Harbour to a point on the North shore of the said Harbour intersected by the centre line of Beck's Cove Hill, the point of commencement.

St. John's West shall consist of the Districts of Placentia-St. Mary's and Ferryland, and that part of the Province bounded as follows, that is to say: By a line commencing at the Motion Head of Petty Harbour and running in a straight line to the Northern Goulds Bridge (locally known as Doyle's Bridge) thence following the centre line of Doyle's Road to Short's Road, thence in a straight line to a point one mile west of Quigley's, thence in a straight line to the point where the North Eastern boundary of the District of Harbour Main-Bell Island intersects Kenmount Road, thence along the centre line of Kenmount Road and Freshwater Road to Carter's Street, thence down the centre line of Carter's Street and Carter's Hill to Theatre Hill and thence along the centre line of said Theatre Hill to the centre line of Duckworth Street and thence easterly along the centre line of Duckworth Street to the top of Beck's Cove Hill, thence from the centre line of said Beck's Cove Hill to the shore of St. John's Harbour and thence following the shore of St. John's Harbour and, passing through the Narrows by the North of Fort Amherst and thence following the coastline Southerly to the Motion Head of Petty Harbour, the point of commencement.

Burin-Burgeo shall consist of the Districts of Placentia West, Burin, Fortune Bay-Hermitage, and Burgeo and LaPoile and all the unorganized territory bounded on the North and West by the District of Grand Falls, on the South by the Districts of Burgeo and LaPoile and Fortune Bay-Hermitage, on the East by the Districts of Trinity North, Bonavista South and Bonavista North.

Humber-St. George's shall consist of the Districts of St. George's-Port au Port, Humber, and St. Barbe, and all the unorganized territory bounded on the North by the District of Humber, on the East by the District of Grand Falls, on the South by the District of Burgeo and LaPoile, and on the West by the District of St. George's-Port au Port.

THE SENATE

Friday, February 18, 1949

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

Prayers and routine proceedings.

THE ROYAL ASSENT

The Hon. the Speaker informed the Senate that he had received a communication from the Assistant Secretary to the Governor General, acquainting him that the Right Honourable Thibaudeau Rinfret, acting as Deputy of His Excellency the Governor General, would proceed to the Senate Chamber this day at 5.45 p.m., for the purpose of giving the Royal Assent to a certain bill.

STATUTE LAW AMENDMENT (NEWFOUNDLAND) BILL

FIRST READING

A message was received from the House of Commons with Bill 12, an Act to amend the Statute Law.

The bill was read the first time.

ADJOURNMENT

Hon. Mr. Robertson: Honourable senators, pursuant to verbal notice given yesterday, I move that when the Senate adjourns today it do stand adjourned until Tuesday, March 8, at 8 o'clock in the evening.

The motion was agreed to.

IMMIGRATION

MOTION

Hon. Cairine Wilson moved:

That the Standing Committee on Immigration and Labour be authorized and directed to examine into the Immigration Act (R.S.C. Chapter 93 and amendments) its operation and administration and the circumstances and conditions relating thereto including:—

(a) the desirability of admitting immigrants to Canada.

(b) the type of immigrant which should be preferred, including origin, training and other characteristics.

(c) the availability of such immigrants for admission.

(d) the facilities, resources and capacity of Canada to absorb, employ and maintain such immigrants, and

(e) the appropriate terms and conditions of such admission;

And that the said committee report its findings to this house;

And that the said committee have power to send for persons, papers and records.

She said: Honourable senators, I am indebted to the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) for the wording of this motion. On three separate occasions he has moved that the Committee on Immigration and Labour be given the powers set out in this motion.

The Committee on Immigration and Labour has now held meetings during the sessions of 1946, 1947 and 1948, and has, it believes, performed valuable work in studying the position of possible immigrants in many parts of the world, particularly in the occupied zones of Europe, where there are hundreds of thousands of persons who are unwilling or unable to return to their countries of origin and whose only hope for the future lies in re-settlement in a friendly country where they may begin life anew.

On July 1, 1947, the Preliminary Committee for the International Refugee Organization assumed responsibility for the displaced persons who had previously been under the care of the United Nations Relief and Rehabilitation Association, which continued to function until the International Refugee Organization was officially established on August 20, 1948. The constitution of the I.R.O. required ratification by fifteen nations and stipulated that these fifteen nations should contribute 75 per cent of the necessary operational funds before the organization could undertake autonomous operations. Denmark was the fifteenth country to ratify the constitution, which has since been ratified by a sixteenth, Venezuela. Eight other countries have signed the constitution of the I.R.O., but have not as yet completed ratification.

The I.R.O. headquarters are at Geneva where the Director-General is an American, W. Hallam Tuck, whose deputy, Sir Arthur Rucker, has been seconded from his post as Deputy Secretary of the British Ministry of Health. Both had served with the P.C.I.R.O. in similar capacities.

During the period from July 1 to August 31, 1948, a total of 236,249 displaced persons and refugees departed from areas in which the I.R.O. operated to find new homes in more than seventy countries. Despite this, however, on August 31, the I.R.O. was still providing assistance to 675,989 refugees and displaced persons. The problem is gigantic, and has been aggravated during the past year by those who continue to escape from countries of Eastern Europe and who look for aid and sympathy from our own freedom-loving people.

One of the most interesting operations under the I.R.O. is the International Tracing Service, which attempts to discover what has happened to some, at least, of the hundreds of thousands of people who vanished during World War II. This branch of the I.R.O. has become an immense bureau of missing persons, handling as many as 6,000 cases a month

and operating a master index which contains information on nearly three million people. To date, 63,000 cases have been satisfactorily solved. Though the International Tracing Service does not issue death certificates, it often can provide enough documentary evidence to enable European courts or governments to make decisions regarding wills, inheritance of property and other matters.

The present situation in China is causing great concern, and relatives in Canada of refugees in China are anxiously inquiring whether something can be done to expedite the movement of these refugees to Canada. The United States has offered temporary asylum on the small island of Samar in the Philippine group, to 6,000 persons now in Shanghai, and for another 6,000, also from Shanghai, who will occupy the former United States Navy Base of Guicean. Preference will naturally be given to those holding visas for immigration into other countries. It is for visas that the relatives in Canada plead.

The senator from Toronto-Trinity (Hon. Mr. Roebuck) recently visited displaced persons camps in Europe and may therefore speak with more knowledge and authority on the situation than I can. My information is that there is still available a great reservoir of skilled labour of all kinds which anxiously awaits emigration; and in addition, there are 63,000 agricultural workers, who are sadly needed in Canada. Entry for the professional classes has been more difficult, and many have already come to work in our woods, in our mines, and on farms. Recently, the Department of Labour admitted a limited number of family groups for placement in rural areas and in small centres. Your committee has always advocated that greater attention should be given to the admission of family groups. The preference has been for single men and women.

In the camps operated by the International Refugee Organization, effort is now being intensified in the teaching of languages, particularly English, to would-be emigrants. The linguaphone method of instruction, which involves the use of phonograph records, is employed, and the 1,000 sets in use permit 60,000 persons to study various languages at the same time. In addition, there are 500 language teachers at work in the three zones of Germany, instructing regular language classes. Our Immigration Department has forwarded copies of the small book *This is Canada*, and other material, in order that those coming here may have some knowledge of the country before their arrival.

The Minister of Mines and Resources has given the information that during 1948 a total of 125,414 immigrants entered Canada. This is the largest total for any year since 1929, and is almost exactly double that of 1947, when the figure was 64,127. Of the 1948 total, 46,057 came from the British Isles, 7,381 from the United States and 16,957 from northern European races, including 10,169 Dutch. Other races contributed 55,019 new Canadians, the largest individual groups being 13,799 Poles and 10,011 Ukrainians.

I should like to place on the record the information with respect to the disposition of the immigrants by provinces. It is as follows:

Ontario	61,621
Quebec	24,687
British Columbia	11,918
Alberta	9,715
Manitoba	7,750
Saskatchewan	5,087
Nova Scotia	2,813
New Brunswick	1,476
Prince Edward Island	269
Yukon Territory	64
Northwest Territories	14

The movement of immigrants to Canada during 1948 was facilitated by an arrangement made with the Cunard White Star line by which the *Aquitania* continued to operate on the north Atlantic run, and provided over 12,000 priority berths for immigrants. This arrangement was expanded to cover 15,400 priorities, and will be continued throughout the year 1949. The government also assisted in the conversion of a German prize vessel, now known as the *Beaverbrae*, which is engaged in carrying to this country from continental Europe close relatives of persons resident in Canada. Finally, the government has arranged with Trans-Canada Air Lines for 10,000 air passages to be made available to immigrants from the United Kingdom between the 1st of July, 1948, and the 31st of March, 1949.

During the year immigration offices were opened or reopened in Glasgow, Liverpool and Rome.

On Wednesday morning the press carried a report from Lake Success that, according to information furnished by I.R.O., Canada stands third in the list of countries receiving war refugees during the past eighteen months. Great Britain heads the list, with Israel second, France fourth and Belgium fifth. But despite all that has been done, the figures as furnished in January are larger than in August, and show that 715,090 men, women and children are being cared for by the International Refugee Organization.

Hon. Wishart McL. Robertson: There is not much that I wish to say about the motion, but I should like to take this opportunity of complimenting the honourable senator, the chairman of the committee, and those associated with her, on their industry in consider-

ing a subject which has become very important to Canada. The committee deserve a great deal of credit for their painstaking analysis of the facts, and the presentation which has resulted from their investigation. On more than one occasion I have heard favourable comments on the committee's work, and expressions of appreciative recognition of its value to those who are interested in studying the question of immigration and wish to avail themselves of all possible information on the subject. I am glad to know that it is the committee's intention to continue this work during the present session.

The motion was agreed to.

DIVORCE BILLS

THIRD READINGS

Hon. Mr. Aseltine, Chairman of the Standing Committee on Divorce, moved the third reading of the following bills:

Bill O, an Act for the relief of Francis Thomas Joseph Cleevely.

Bill P, an Act for the relief of Jack William Corber.

Bill Q, an Act for the relief of Mildred Ida Acres Wells.

Bill R, an Act for the relief of Wilhelmina Doris Guenette Parkes.

Bill S, an Act for the relief of Anita Phyllis Ticktin Sacks.

Bill T, an Act for the relief of Sylvia Feldman Blant.

Bill U, an Act for the relief of Doris Arvilla Jackson Legassick.

Bill V, an Act for the relief of Rose Klein Levin.

Bill W, an Act for the relief of Thelma Wilhelmina Wintonyk Colter.

Bill X, an Act for the relief of Doris MacArthur Richards Arnold.

Bill Y, an Act for the relief of Mary Matheson Baker.

Bill Z, an Act for the relief of Vivian Pauline Davies White.

Bill A-1, an Act for the relief of Helen Hawthorne Kuhn Ellis.

Bill B-1, an Act for the relief of Joseph Octave Jules Lapointe.

Bill C-1, an Act for the relief of Nena Ruthen Teitelbaum.

Bill D-1, an Act for the relief of Annie Gwendoline Mabel Gammon Noble.

Bill E-1, an Act for the relief of Margaret Catherine McDonald White.

Bill F-1, an Act for the relief of Howard Vincent Jones.

Bill G-1, an Act for the relief of Matilda Schneider Hutter.

Bill H-1, an Act for the relief of Robert William Phillips.

Bill I-1, an Act for the relief of Ethel Rose Katz Cohen.

Bill J-1, an Act for the relief of Edith Cecelia Cole Williams.

Bill K-1, an Act for the relief of Agnes Mathieson Metsos.

Bill L-1, an Act for the relief of Dorothy Fern Brown Lacoste.

Bill M-1, an Act for the relief of Sylvia Barnett Shane.

Bill N-1, an Act for the relief of Louise Soltanoff Rudy.

Bill O-1, an Act for the relief of Armand Boisclair.

Bill P-1, an Act for the relief of Mary Robertson Pangman Elder.

Bill Q-1, an Act for the relief of Merilda Normand Maury.

Bill R-1, an Act for the relief of Janet Stevenson Ivory Stein.

Bill S-1, an Act for the relief of Reba Schulman Schecter.

Bill T-1, an Act for the relief of Helen Fulton Burns Clark.

Bill U-1, an Act for the relief of Lyford Homer George.

Bill V-1, an Act for the relief of Joan Winnifred Lewis Hawkins.

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

EMERGENCY SITTINGS OF THE SENATE

MOTION

Hon. Mr. Robertson moved:

That, for the duration of the present session of Parliament, should an emergency arise during any adjournment of the Senate, which would in the opinion of the Honourable the Speaker warrant that the Senate meet prior to the time set forth in the motion for such adjournment, the Honourable the Speaker be authorized to notify honourable senators at their addresses registered with the Clerk of the Senate to meet at a time earlier than that set out in the motion for such adjournment, and non-receipt by any one or more honourable senators of such call shall not have any effect upon the sufficiency and validity thereof.

The motion was agreed to.

SPEECH FROM THE THRONE

ADDRESS IN REPLY

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

Hon. R. B. Horner: Honourable senators, before making a few remarks on the Address in reply to the Speech from the Throne, I wish to congratulate the mover and the seconder of the motion. I am sorry that

neither of them is in the chamber, and I particularly regret the absence of the seconder, the honourable senator from Clare (Hon. Mr. Comeau), whose references to his ancestors and their struggles in the early days of this country I found very pleasing and interesting.

The address of the honourable senator from Algoma (Hon. Mr. Farquhar), who moved the resolution, was of a more political nature; but as he recently came here from the other chamber, one can sympathize with him.

As I listened to these speeches, with their words of praise for the socialist measures we are getting from the government, I wondered, were it possible to return to this chamber seventy years hence, what type of men one would see and what kind of stories they would have to tell. No doubt they would be forced to admit that they had been raised with the aid of baby bonuses, that they had been ordered about by the state and denied freedom of choice—and, if they were farmers, that they had had their grain taken from them and given away. What type of men will they be?

The leader of the government (Hon. Mr. Robertson) was kind enough to apologize for his absence. He said he did not know that I intended to speak, and he had other appointments. I regret that he is not here, because I did not like the way he reacted to the western farmers' complaints about the low price of their wheat. He was tired, he said, of hearing people asking for more—more—more. Well, I remember that a year or two ago, in this chamber, I was opposed to a couple of honourable gentlemen getting a little "more", and I gained no popularity by doing so.

I cannot accept the honourable senator's assurance that everything in this country is going splendidly, that there is more money than ever, and we have no cause for alarm. I am thinking of a class of people who deserve more credit than they have received. The honourable senator from Lethbridge (Hon. Mr. Buchanan) knows well what people I mean: men who started in Western Canada, most of them without any money; who worked hard, saved enough to buy lumber and proceeded to make a home; and who carried on against all kinds of difficulties and raised their families without help from anyone. Surely after all these years they are entitled to some comforts and, to the belief that they have made some progress. But what is their present position? I say to the leader of the government that, in my opinion, conditions are worse than they have ever been. Mere money is not wealth. Money has never created character, and never will. In the days when parents had to struggle along without state aid, did we hear of groups of boys and girls who—some in Vancouver, some in Toronto—became young bandits?

I should like to read from the Ottawa *Journal* an article dealing with a speech delivered in Pembroke, Ontario.

> Warning that communism was surely growing stronger in Canada, Mrs. Katherine Doherty, of Combermere, the former Baroness de Hueck, Monday night told a meeting of the Business and Professional Women's Club "the only way we can fight communism is to fight for an ideal, and our common ground in Canada is that we believe in the Almighty —the Communist does not".
>
> Mrs. Doherty was addressing an international night supper meeting of the club at the Copeland Hotel attended by some thirty new Canadian girls, representative of Lithuania, Poland, Estonia and the Ukraine.
>
> "Neither an atomic bomb—nor fighting on the levels of old wars will eliminate communism," she said.
>
> "The shadow of communism will grow, it is growing, and it's almost too late," the speaker said. "But let us face the fact that we still can light the world if we stop thinking of money as our god, and change our conception of other people on the wrong side of the track.
>
> "You Christians preach, but you don't make your preaching a reality; the Communists do".
>
> Speaking to the group of new Canadians in Russian for a moment, Mrs. Doherty referred to their common bond, of their sufferings and apprehensions, and exhorted them not to be alarmed or puzzled about Canadian customs. Reverting to English, she urged kindness and love toward these new Canadians by the people of Canada.

Surely communism is on the increase. I claim that the morale of the people is at low ebb instead of high tide, and this is mainly responsible for our paternalistic government bonuses and socialism. A year ago the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) made the best Conservative speech I have heard in this chamber. He wound up by saying that we could not exist half bound and half free. That is about what we have been trying to do. A year ago the senior senator from Vancouver (Hon. Mr. Farris) went to great pains to introduce a certain motion so that he could discuss the wickedness of attacks on public men. As I see it, he did so because he saw a figure looming on the horizon whom he wanted to take a crack at. It is well known that all over Europe people have been shot for criticizing men in power. I am certainly one to uphold our judges when they are sitting as such, but when a man is appointed to the bench he does not join any ethereal body. My honourable friend went on to say what a great crime it was that unfair criticism should be made of public men. I endorse that, and now that new citizens are coming to Canada I want to tell the Senate how obnoxious that kind of thing can be when it is unjust and untrue.

Before I went to Western Canada as a young man I had never cast a vote. To my knowledge, my father had voted both ways, as I think any good citizen should if democracy is to survive. I settled in a community where only a few of the inhabitants were Canadian-born. Most of them were Russians, Ukrainians and so on, and had only recently arrived from Europe. When they met me they would take off their hats and start to bow. They had been used to kow-towing to every policeman and semi-official person in their own countries, and as a result they entertained a certain fear. I took great pride in explaining our politics to them. But when the election came what did I find? People from Winnipeg and elsewhere were telling them that the Liberals had brought them into the country and that the Conservative party, which was the King's party, would chase them right out again. As a result, these people were in real terror. Well, that turned me against the Liberals, and I have voted Conservative ever since. I tell my honourable friends opposite that that is the most vicious kind of political campaigning.

Perhaps the only speech in which I ever won converts to my party was made about that time in the town of Krydor. A very famous politician, known to many of you, had been the Liberal member for that constituency for a long time. I heard that there was to be a meeting, and after I finished my work I got in the car and drove down to the hall. I was still dressed in my overalls—and I even think that one strap was hanging loose from the shoulder. The hall was full, so I stood at the door. I interrupted the speakers a couple of times with the remark "That's not true!" One speaker said to me: "If you don't interrupt, we will give you the floor for half an hour before the next speaker". So after he finished I marched up to the front. They were repeating the same thing their party had been saying all over,—that the Conservative party would put them out of the country. They told these people that the reason they had been spared was that the member for the constituency was a Liberal. I was a bit angry at this. I knew every one of the men attending the meeting, although perhaps not by name, and I looked directly at them and said: "Gentlemen, I don't know this Conservative candidate, and I have never met him — — "

Hon. Mr. Copp: Will my honourable friend tell me in what year this campaign was carried on?

Hon. Mr. Horner: I believe it was around 1920.

Hon. Mr. Lambert: Was it a federal election?

Hon. Mr. Horner: It was a provincial election. I told them that they were in a free country in Canada and that they had been throwing away their votes. I advised them not to do it any longer, because things would go on just the same if the other candidate were elected. Well, the Liberal candidate was defeated.

Honourable senators, I speak for the farmers of Canada, particularly of Saskatchewan, which is the greatest agricultural province in the country. I only regret I am not better qualified to speak for them.

I do not think our practical farmers can be very proud of the legal representation they have in this chamber. When the honourable senator from Vancouver South (Hon. Mr. Farris) proceeded to make what I suppose he thought was a brilliant attack on the lady senator from Peterborough, who was absent from the chamber through illness, he misinterpreted what she had said. The honourable lady apparently realized that her words were burning rather deeply and anticipated some such criticism, for she said, as appears on page 52 of *Hansard*:

> I hope that when I have finished, nobody will rise to read me a lecture, such as was read in another place, on the theme that "man shall not live by bread alone", and on the necessity of enriching and encouraging the cultural and educational life of this country; because, as I said in the beginning, with all these objectives I am in complete accord, and would support anything within reason which would achieve them. But I do not consider that this proposal is within reason.
>
> Honourable senators, what is parliament for? For what do we or the members of the other place, receive our indemnities from the people of this country?

Now, I intend to say something as to what I think our duties are. If this chamber is to be a mere political arena, then I agree with what was said by a clergyman in the other chamber, that we should go to Hull—or a worse place than that. I respect the leader of this house (Hon. Mr. Robertson) and the former leader (Hon. Mr. King) for telling us that senators should express their own ideas. We took a solemn oath to do that and to advise the government, not to continue to praise the political party that sent us here. I may be in a rather more fortunate position than the honourable senator from Vancouver South, in that I have no worries about the ability of my leader to speak for himself or to advertise himself throughout Canada. But I think the honourable senator from Vancouver South is unduly worried, because there are members of the other house who are well qualified to take care of the political situation.

The honourable gentleman suggested that there should be compulsory voting. Well, I have favoured that policy for thirty years. He also said he would like to see the single

transferable vote. I am not in favour of that. It has been tried in several countries, and if the honourable senator would like to get some information on it from a man who, I think, has made a real study of the question, he should call on Mr. John R. MacNicol, an honourable member of another place. You can have a man elected on a minority vote under that system.

Though I am in favour of compulsory voting, I would ask honourable members to consider for a moment what kind of results the transferable vote might have. If a bitter partisan like the honourable senator from Vancouver South were placed second and I were forced to vote for him, that would be cruelty.

Hon. Mr. Farris: To me?

Hon. Mr. Horner: It would be a different matter altogether if I were forced to vote for the honourable senator from Lethbridge (Hon. Mr. Buchanan), for whenever he speaks in this chamber he says something that I agree with.

We are getting a lot of socialistic legislation these days. I wonder how many senators take time to go around and admire this beautiful edifice, the parliament building. I am thankful that Mr. Jacques Greber has not suggested that the building be moved away from its lovely setting. Well, the thought occurs to me that if the present trend of shorter and shorter working days continues, it may be that in two or three thousand years from now a muscleless generation will have grown up who will gaze at this building as we gaze at the pyramids in Egypt and wonder how they were ever built. By that time there will be no men capable of building a high tower, for everybody will be afraid to venture more than a few feet above the ground; neither will there be anybody strong enough to handle heavy stones.

I suppose that when this building was erected men used to work ten or twelve hours a day. It would take a lifetime to put up a building like it now, because ten men would be required to do what one man did back in those days, and each of the ten men would have to be paid ten times the wages of those days. From the money standpoint this building would be a pretty costly proposition nowadays, although I think the government should print the money required for the erection of public buildings.

This brings me to the public debt. When is it going to be paid off? While we were creating this debt, people bought bonds in the belief that they were benefiting the country and being good citizens. Now thousands of them are out of employment. It is claimed that there is a shortage of steel. Right here in Ottawa there are thousands of carpenters unemployed, as there are in Vancouver. These men will have to sell their bonds. To whom? To people who are able to buy them. We are getting into the position where the people who have the least will be paying to wealthy people the interest on the national debt. If it is a good thing for an individual to pay off his mortgage, why would it not be a good thing for a country to do that?

An Hon. Senator: Hear, hear.

Hon. Mr. Horner: To my mind—Mark my words! —as a result of this continued debt and taxation we will have inflation or debt cancellation or communism and a breaking up of large estates. Our taxes are so high now that a young man who has no parents to assist him cannot afford to build a home for himself. We are taxing people like that right out of existence. Instead of being engaged in the production of new wealth—which is what we farmers out in Saskatchewan are doing—half of the population will soon be working to supply funds to keep the socialistic agencies going.

The honourable senator from Vancouver South also had something to say about the wheat situation, and he read an editorial from the Ottawa *Citizen*. I give him credit for knowing that that editorial was ridiculous. The Winnipeg *Free Press* is a better source of information about wheat. Also, the American farmers and the Canadian farmers on either side of the long borderline from Winnipeg to the Rocky Mountains know what the price of wheat is. The man who prepared the Searle Grain Company's report is ready to challenge anyone in debate as to what the western farmers have lost on the sale of their wheat. Why, a farmer in Prince Edward Island can buy feed at 15 cents a bushel less than I can get it right out where it is produced. The western farmers lost at least $580 million on the wheat supplied under the agreement with Great Britain. But that is not all. In 1937 Dr. Motherwell, a well known Liberal, told the government in no uncertain terms what it had done with the Wheat Board. When I returned home from this chamber that year the board was giving away our wheat at 70 cents a bushel. It boasted of selling 70 million bushels at that price, and two months afterwards the price was $1.54. So millions of dollars were taken from us back in 1937.

To correct what may be a false impression on the part of honourable senators as to the bonus payment situation, I would point out that we have a system whereby one per cent of all our receipts from the sale of wheat is applied to set up a reserve for the assistance of farmers in communities where the yield is very low. For instance, where the yield is less than 8 bushels to the acre there is a

bonus payment of $1 per acre and where the yield is less than 5 bushels to the acre the bonus is higher. But many farmers who have got assistance in this way have had to pay it back in income tax, although part of the bonus that they received may have been their own money. When the Minister of Agriculture was out in Saskatchewan on an election campaign he did what I think was a very unwise thing. He told the farmers not to make out income tax returns, that it was only the bad Tories who would report them for not doing so, and that no attention should be paid to them. But despite this, 55,000 returns were filed by farmers in Saskatchewan—a larger number than was filed by the farmers of any other province. I advised them to make out income tax returns, because if they do not pay a tax while they are living the money will be taken out of their estates when they die.

We in Saskatchewan are in a much worse position with respect to freight rates than is either Manitoba or Alberta. The suggestion was made to us that Saskatchewan and northern Manitoba should pay the Hudson Bay freight rates. We pay high freight rates on goods going both east and west.

I should like to refer to what the leader of the government in this house said about keeping the price of lumber down. The honourable senator from Royal (Hon. Mr. Jones) was laughing about it, because the so-called price control did not hurt him. Why do houses cost so much? Here is one reason: I bought some lumber recently for $80 a thousand, which could not have been sold some years ago for more than $8. There was not a decent board in the whole lot. Then what about keeping the price of nails down? The farmer paid as high as 12 cents a pound for them; and cement in some cases sold for $3 a bag. And what about the extremely high price of barbed wire, which would stretch four feet in a half mile, every month? Another item is the mowing machine. I bought a machine a few years ago for $45 or $50, and last year I paid $175 for one. That is the kind of money the farmer is required to spend.

Much has been said about the proposed royal commission on transportation. I would point out that no one is better qualified than the members of the Senate, who have done a great deal of travelling and shipping over railways, to study the question of transportation. Yet the government insists on an inquiry into railway matters. Such a commission just means delay and expense, and it will do work which I claim the members of this Chamber should do. In this connection I should like to refer to an article concerning railways in the United States, published recently in the *Time* magazine. It is under the heading "Too Much Candy", and reads as follows:

> Like a doting grandfather who has fed the youngsters too much candy, the Interstate Commerce Commission was getting alarmed at its own generosity to U.S. railroads. Since war's end, it had given them six freight-rate boosts. Yet freight revenues were declining; in the first half of January, carloadings were 11·2 per cent below last year. Last week, in its annual report to Congress, ICC guessed why. It thought that railroads might be pricing themselves out of business.
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> Because of higher rates, the railroads were losing more and more business to trucks, which were hauling 12 per cent more than a year ago, and barges, which were carrying 20 per cent more. "Rate increases", said ICC, "may be carried to the point where they are largely self-defeating". As an example, it cited the fact that while the Railway Express Agency, Inc., got three increases totalling 46 per cent last year, its revenue decreased 4 per cent.
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> Instead of higher rates, said ICC, U.S. railroads should step up efficiency and cut costs by "bold experimentation with new devices and methods . . . imagination and ingenuity . . ."
>
> The advice was easy to give, but harder to follow. U.S. railroads, which last year spent $279,400,000 on dieselization and this year will spend as much more, had already gone a long way toward improving efficiency. But the diesels were more efficient partly because they required less manpower—and the unions did not like that. This week, the Brotherhood of Locomotive Engineers served strike warnings against 15 western roads, to force them to "featherbed" an extra engineer on diesels.
>
> Furthermore, one of the biggest drops in car loadings had been in coal, which provides the biggest single source of railroad freight (14 per cent). Thus, the more oil-burning diesels the roads bought, the more they would cut their coal revenues.

Now, so far as Canada is concerned, I am opposed to this "featherbedding", and other things like running two roads parallel to one another. Why is it that a government-owned road and a private railway, running side by side, must have their trains arrive at Winnipeg at the same hour? No consideration is given to public convenience, and no attempt is made to stagger the hours of arrival of these trains. This is the kind of service the people have to pay for, and we in Saskatchewan are particularly concerned about it.

Concerning the question of wheat, I believe I can speak for the majority of farmers in Saskatchewan. It is true that the farm leaders have adopted the same policies that are being followed in other fields. For instance, the wheat pool is just a farmers' organization, with one of its own members being appointed president; but it is treason to say anything against it. As for the U.F.A., I do not think they would represent more than fifteen per cent of the farmers. Certainly, I am a member of the pool, but I never gave them authority to endorse a system for giving away my grain. So far as the Grain Exchange is concerned, the people of western Canada

are not opposed to it; it may be quite necessary for the purpose of carrying out domestic and export selling, to have a futures market. It would be all right if the farmer knew what price he was going to get for his wheat in a market which is actually controlled—I do not mean a gambler's market, but rather a market where the purchaser actually takes delivery of the wheat. In my opinion we need a futures market for hogs and cattle as well. It should be pointed out that the farmer is the only man who cannot go to the bank and arrange his financing on the strength of an assured market. For instance, the manufacturers are all organized, they know what their goods will sell for, and they are often sold before they are processed. The farmer is entitled to operate on a similar basis; he objects to others gambling with his wheat. Huge sums of money may be used in the operation of an international cartel or a cornering of the market to work against him. I do not think the farmers are against both systems in the marketing of wheat. That would apply to coarse grains as well.

Hon. Mr. Beaubien: Does my friend mean by "both systems", a board and a grain exchange?

Hon. Mr. Horner: Yes, a board and a grain exchange. The grain could be sold either way.

Now may I speak about the opening of the cattle market to the United States? The honourable senator from Medicine Hat (Hon. Mr. Gershaw), who is always fair in his comments, said that 1948 would long be remembered as the year when the embargo against our cattle entering the United States was removed. He had previously pleaded with the government for the removal of the embargo, but he is now praising them for lifting it. While 1948 may be favourably remembered, the winter of 1947 will be recalled as the winter when a great many cattle died because of lack of feed, and when five or six persons committed suicide because the government made the announcement in the fall that we were short of American dollars.

The people on the prairie visit back and forth across the boundary, and it is hard for them to understand why a cattle-raiser on one side of an imaginary line shall get $100 or $125 each for his cattle when the fellow on the other side gets $400. As I said, my complaint is that the government did not come out in the open and say, "The American market will be closed until next summer". Had that definite statement been made, the ranchers would not have gone into the winter with more cattle than they could feed. I know one man who operates a ranch in my community who lost 125 head of cattle. In another area the ranchers who had shipped their cattle to the Lethbridge feeding camp sent a petition or a letter to the government complaining that because of the high cost of feed they were going to lose a lot of money. They pointed out that costs had risen almost 80 per cent. Yet the Minister of Agriculture made a speech quoting Fort William prices. It has to be remembered that Fort William is a thousand miles from the ranches, and the cost of the freight to ship that grain back makes a tremendous difference. I left Ottawa in the last days of March and went straight through to Calgary, as I had word from men on the ranch that there was no more feed. I could not buy oats for $1.25 a bushel around Calgary, but I was asked to pay $100 a ton for a sort of pressed cake made of alfalfa. Hay was selling up to $75 a ton, and inferior kinds, of no sustenance value, for $50. I was fortunate in getting a carload from Saskatoon at $60 a ton, not at the 70 cent figure quoted by the minister. I know of several ranchers who were in the same fix: where they were able to get hay, it was only at a price much higher than that stated by the minister.

My remarks, I admit, are somewhat disjointed, but I want to revert to and emphasize the proposition that farming in Saskatchewan is a perpetual gamble. In large areas of the province there are reported to be 2,000 grasshoppers' eggs to the foot; there is no moisture in the soil; and it is problematical whether we shall have any crop in 1949. So far from anticipating a surplus, I believe we may find ourselves with very little grain. It is a common experience out West that men work away year after year and consider themselves fortunate if they break even; then after ten years they may get one or two bumper crops. That is in general the condition prevailing in Saskatchewan, over that great area of agricultural land almost as large as that of all the other provinces combined. We have had to contend with grasshoppers, drought, hailstorms and other plagues. So, as I have said, the farmer is a great gambler; and while I do not urge that we should take advantage of the people who need our grain, it is my contention that the whole country should help to compensate the western farmers in some degree for the reduced price. It must be remembered, too, that the government of Saskatchewan is socialistic, and therefore willing, no doubt, to help a socialist government in England; but I may not feel so kindly to British socialism. The other day Mr. Winston Churchill, in describing a bill before the Imperial Parliament, said "This is not a bill, it is a plot, a burglar's jemmy to crack the capitalistic crib." That may be the aim of the British Government, but it is not ours;

and in any case, in my opinion, the whole of Canada should help to foot the bill on the wheat deal and pay us some part of the difference.

I have expressed my ideas here as I have felt it my duty to do. I am opposed to socialism. I spoke in opposition to the baby bonus when it was first introduced. I hold that it was instituted at the wrong time and has wrought nothing but injury to this country. I am wholly in favour of ample provision for the aged who have finished their work, made their struggle and done what they could; but to my mind the baby bonus is a vicious measure and we have yet to experience how much more vicious it may become. Both parties, apparently, want to enlarge it. At the next election, no doubt, another $10 a month will be promised, and we may expect to go from bad to worse. Personally, if I am to be socialized or communized, I prefer to have it done by people who believe in such a system of government and are experts in that line, and not by a government that claims to favour free enterprise and the capitalist system.

In conclusion, I thank honourable senators for their courteous attention to what I have said. Our duty as members of this chamber, I believe, is to advance ideas of our own. That is what I have tried to do.

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

The motion was agreed to.

DIVORCE BILLS

FIRST READINGS

Hon. W. M. Aseltine presented the following bills:

Bill W-1, an Act for the relief of Frances Lenore Roe Robinson.

Bill X-1, an Act for the relief of Philip Victor Thomas Rodbourn.

Bill Y-1, an Act for the relief of Dorothy Edith Entwistle Lorimer.

Bill Z-1, an Act for the relief of William Christie.

Bill A-2, an Act for the relief of Priscilla Benning Peart.

Bill B-2, an Act for the relief of Margaret Nelson Smith Calvert.

Bill C-2, an Act for the relief of Shirley Pearl Claman.

Bill D-2, an Act for the relief of Lillian Helena Cross Page.

Bill E-2, an Act for the relief of Rosario Proulx.

Bill F-2, an Act for the relief of Micheline Lefebvre Simpson.

Bill G-2, an Act for the relief of Catherina Koszak Tymczuk.

Bill H-2, an Act for the relief of Anne Warnes Rice.

Bill I-2, an Act for the relief of Joseph Edmond Tremblay.

Bill J-2, an Act for the relief of Grace Lambert Sturgeon.

Bill K-2, an Act for the relief of Mary Middleton Thompson.

The bills were read the first time.

SECOND READINGS

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

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

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

THIRD READINGS

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

Hon. Mr. Aseltine: With leave of the Senate now, in view of the fact that we are adjourning for two weeks or so, I think it advisable that these bills should be sent at once to the other chamber for consideration there. All the cases which have been heard and dealt with are undefended, and there is no dispute of any kind in connection with any of them.

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

The Senate adjourned during pleasure.

THE ROYAL ASSENT

The Right Honourable Thibaudeau Rinfret, Chief Justice of Canada, acting as Deputy of His Excellency the Governor General, having come and being seated at the foot of the Throne, and the House of Commons having been summoned and being come with their Speaker, the Right Honourable the Deputy of His Excellency the Governor General was pleased to give the Royal Assent to the following Bill:

An Act to approve the Terms of Union of Newfoundland with Canada.

The House of Commons withdrew.

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

The sitting of the Senate was resumed.

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

THE SENATE

Tuesday, March 8, 1949

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

Prayers and routine proceedings.

PRIVATE BILL

FIRST READING

Hon. Mr. Hugessen presented Bill L-2, an Act respecting the Pension Fund Society of the Bank of Montreal.

The bill was read the first time.

PRIVATE BILL

FIRST READING

Hon. Mr. Aseltine (for Hon. Mr. Haig) presented Bill M-2, an Act to incorporate the North West Commercial Travellers' Association of Canada.

The bill was read the first time.

EXCHEQUER COURT BILL

FIRST READING

Hon. Mr. Robertson presented Bill N-2, an Act to amend the Exchequer Court Act.

The bill was read the first time.

NATIONAL PARKS BILL

FIRST READING

Hon. Mr. Robertson presented Bill O-2, an Act to amend the National Parks Act.

The bill was read the first time.

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

Hon. Mr. Robertson: As there is some urgency in connection with this measure, I would ask leave of the Senate to have this bill set down for second reading tomorrow.

The Hon. the Speaker: With leave of the Senate.

STATUTE LAW AMENDMENT (NEWFOUNDLAND) BILL

SECOND READING

Hon. Mr. Robertson moved the second reading of Bill 12, an Act to amend the Statute Law.

He said: Honourable senators, I have asked the honourable gentleman from Carleton (Hon. Mr. Fogo) to explain this bill.

Hon. J. Gordon Fogo: Honourable senators, it is a privilege for me to comply with the request of the honourable leader of the government to make a few explanatory remarks on Bill 12, an Act to amend the Statute Law. I appreciate the privilege all the more because my name suggests to many people that I am a native of Newfoundland. Though I am not from Newfoundland, there are an island and a bay in this new province which bear my name. I am informed that the district is most beautiful, and I recommend that visitors to Newfoundland see it. It contains one of the oldest settlements in that ancient colony; in 1738 it had a population of 215, and is said to have been visited by Jacques Cartier in 1534.

It is also a privilege to play a small part, as all of you have done, in consummating the union between Newfoundland and Canada. Bills to approve the terms of union have been passed by the Parliament of Canada, the Newfoundland Legislature and the British House of Commons, and the plan envisaged by the Fathers of Confederation is rapidly being realized.

This bill, as its title indicates, is designed to adapt the statute law of Canada to the new province. Term 18 of the agreement with Newfoundland provides not only for the continuation after confederation of Newfoundland's provincial laws, but also that all the laws of Canada shall in due course, either by statute or by proclamation, become effective as respects that province. This bill will, if passed, become part of the general law of Canada, which thus will be made applicable to that province. However, certain amendments to our statute law are required to fill up gaps where no provision is made to meet the fact of a tenth province.

I am not going to attempt to deal with every one of the fifty statutes or sections of statutes which are mentioned in this bill. To do so would be a very lengthy and tedious task. I intend merely to indicate some of the highlights and, perhaps, group them a little, for I believe that by so doing I shall be adequately serving my function in this connection.

One example of the simple things which are done under this Act is the designation of courts for the purpose of various Acts: for instance, the Dominion Controverted Elections Act, the Fugitive Offenders Act, the Winding-up Act, the Juvenile Delinquents Act, the Companies Act and the Companies Creditors Arrangement Act. All of these statutes indicate the courts which are to have jurisdiction with respect to them. Various sections, which I will not mention, but which are indicated by headings, provide for these courts.

Certain other amendments are consequential upon the terms of union, terms which were arrived at by agreement and which are embodied in this bill; others are conse-

quential upon a certain memorandum, dated December 11, 1948, in which answers to questions raised by the Newfoundland delegation are set out. That memorandum will be found at page 33 of Reports and Documents relating to the negotiations for the Union of Newfoundland and Canada. Examples of the first group, namely amendments required by the terms of union, may be found in sections 6, 23, 26, 35 and 51; which relate respectively to the Civil Service Superannuation Act, the Unfair Competition Act—dealing with trade marks—Newfoundland patents, and the Judges Act, 1946. All these amendments carry out specific undertakings in the terms of the union.

In the same category is an important group of sections providing for the application of the Canadian veterans charter to Newfoundland veterans. The legislation affected includes the Pension Act, the Veterans Land Act, the Veterans Insurance Act, the War Services Grants Act, the Veterans Business and Professional Loans Act and the War Veterans Allowances Act. All these are amended to provide for and carry out the provisions of Term 38 of the Terms of Union, which assure that Canada will make available to the veterans of Newfoundland benefits under these statutes as if such veterans had served in His Majesty's Canadian forces. In that connection it may interest you to know that there are about 7,000 Newfoundland veterans of World War I, about 4,000 of whom are now residing in the island. The total number of Newfoundlanders enlisted in World War II was approximately 8,500, practically all of whom, so far as we know, are veterans. War pensions under Newfoundland legislation are now being paid on behalf of about 1,700 persons. These figures give some conception of the magnitude of the obligation undertaken in this particular field.

Section 47 is in a somewhat similar category. It brings under our Civilian War Pensions Act salt-water fishermen and Newfoundland merchant seamen who served on either British or Allied ships employed in the prosecution of the war. Again, under a specific term of the agreement, there is an addition to the Canadian Citizenship Act. In section 46 we find the implementation of what I believe is the shortest term of the agreement with Newfoundland. It is term 43, and it reads:

> Suitable provision will be made for the extension of the Canadian citizenship laws to the province of Newfoundland.

Section 46, which was amended slightly in the other place, provides for the inclusion of the people of Newfoundland as Canadian citizens. I believe that there is a typographical error in the reprint of the bill at 44A(iii). It reads "had Newfoundland domicile in Newfoundland on the said first day of April". I think the words "in Newfoundland" are redundant and have been carried into the section in error. Further, it has been pointed out to me that there is a word missing in subsection 5 of the same section. At line 13, page 20, the second "domicile" means domicile maintained in Newfoundland for at least five years, and the word "maintained" should be inserted.

Some of the amendments consequent upon the memorandum of December 11 are contained in sections 9, 27, 33, 37 and 41. They deal with such things as the Customs and Fisheries Protection Act, the Fisheries Act, the Canada Shipping Act, the Penitentiary Act and the Family Allowances Act, 1944. All these sections are designed to carry out the undertakings of the Canadian government contained in the memorandum to which I have referred. Honourable members may be interested to note that by the Customs and Fisheries Protection Act, the sale of bait to foreign fishing vessels will be continued in Newfoundland ports, although the entry of foreign vessels into Canadian territorial waters except by special treaty or convention, has been prohibited. Similarly, by the amendment to the Fisheries Act, Newfoundland trawlers and draggers will be permitted, as in the past, to fish to within three miles of the coast, whereas the twelve-mile limit will remain in effect elsewhere in Canada.

Hon. Mr. Quinn: Would that mean within three miles of the coastal waters of Newfoundland, or of any part of Canada?

Hon. Mr. Fogo: Within three miles of the coastal waters of Newfoundland.

Another important part of the bill is section 13, which extends the benefits of the Maritime Freight Rates Act to Newfoundland. This section carries out the Terms of Union, particularly No. 32, which reads as follows:

> 32. (1) Canada will maintain in accordance with the traffic offering a freight and passenger steamship service between North Sydney and Port aux Basques, which, on completion of a motor highway between Corner Brook and Port aux Basques, will include suitable provision for the carriage of motor vehicles.
>
> (2) For the purpose of railway rate regulation the Island of Newfoundland will be included in the Maritime region of Canada, and through-traffic moving between North Sydney and Port aux Basques will be treated as all-rail traffic.
>
> (3) All legislation of the Parliament of Canada providing for special rates on traffic moving within, into, or out of, the Maritime region will, as far as appropriate, be made applicable to the Island of Newfoundland.

Many honourable senators will recall that in 1927, following the report of the Duncan Commission, so-called, which took its name from its distinguished chairman, Sir Andrew

Rae Duncan, legislation known as the Maritime Freight Rates Act was enacted to extend to certain freight movements over territory known as the Eastern Lines, a reduction of 20 per cent in the rates. This relief was confined to movements over lines which were defined as including all railways and car ferries in Canada east of a line passing through the provincial boundary at Matapedia, Diamond Junction, and Levis. Three movements of traffic benefit. The first movement is the purely local traffic within the selected territory; that is, all-rail traffic between any two points on the eastern lines—for example, from Sydney to Newcastle or from Sydney to Fredericton. The second movement is all-rail traffic moving outward, westbound from points on the Eastern Lines to points in Canada beyond Diamond Junction or Levis. The reductions in this class of traffic apply only to that part of the haul which is over the Eastern Lines. The third movement to benefit from this statute is export traffic originating on the Eastern Lines and passing through ocean ports on the Eastern Lines and destined for points outside of Canada. For example, in the case of traffic from Fredericton to Liverpool, England, via Saint John, the rate from Fredericton to Saint John would be subject to reduction.

It will be noted too that for the purposes of this Act the traffic moving by water from Port aux Basques to North Sydney and *vice versa* is to be treated as all-rail traffic. So the effect of section 13 is to embody Newfoundland in the selected territory on the Eastern Lines and to extend to Newfoundland the same relief as is accorded to points and to shippers in the Maritime Provinces. In fact, it might be said that this is one instance of official recognition that Newfoundland is now one of the Maritime provinces.

The other section to which it might be appropriate for me to make reference is the last section but one of the bill. It is a rather unusual section in that it provides against the importation of certain things from Newfoundland to the rest of Canada for a period of twelve months, beginning April 1, 1949. The object of this section is to prevent evasion of the Emergency Exchange Conservation Act—that unpleasant statute which imposes restrictions on imports, and which we hope it will not be necessary to keep in force too long. Nevertheless, in order to protect our merchants and dealers in Canada from the possibility that persons in Newfoundland might accumulate large quantities of automobiles and the like and ship them into other provinces after the union, this section was suggested and, I understand, was quite acceptable to the Newfoundland delegation. It was also brought to my attention, and I think it was stated in *Hansard,* that notice of the intention to have this restriction enacted was given to the public on December 13, 1948. I am informed that the twelve-months period was provided for in this section because it was necessary to have some time limit. As I have said, if the restrictions under the Emergency Exchange Conservation Act are sooner removed, this section will then cease to be effective.

It is unnecessary for me to add that by its very nature this is a bill which I feel sure the members of this honourable Senate will support.

Right Hon. Mr. Mackenzie: Honourable senators, I rise to ask two questions, for information only. My honourable friend who so ably explained this bill mentioned that it was endorsed by the House of Commons in Great Britain. My recollection of the procedure that was followed in 1946, when we sent over a constitutional amendment, is that a resolution was introduced by Viscount Addison in the House of Lords, which approved of it and sent it to the House of Commons. I am wondering if the two houses there have concurred in the Address that was sent over from our parliament in this instance.

Secondly, I would ask the honourable leader of the government (Hon. Mr. Robertson) if he is yet in receipt of a record of the proceedings of both houses with reference to certain constitutional questions that were raised there affecting this issue.

Hon. Mr. Fogo: Honourable senators, as to the first question my information is that the bill was introduced in the House of Commons of the United Kingdom and passed, and that it may now have reached the House of Lords, but that it has not yet been passed there.

I am not in a position to answer the second question.

Hon. Mr. Robertson: In reply to the right honourable gentleman's second question, I may say that I have no knowledge that the report of the proceedings has been received here. However, I shall make inquiries, and if the report is available I shall undertake to secure it for my right honourable friend.

Right Hon. Mr. Mackenzie: Thank you.

Hon. Mr. Aseltine: May I ask the honourable leader of the government if it is necessary to have this bill passed in a hurry? The bill is a fairly comprehensive one, and although I followed the debate on it in the

other chamber I am uncertain about a number of points. For that reason I think that there should be a reference to committee.

Hon. Mr. Robertson: In answer to my honourable friend's specific question I can say that there is no great urgency about having this bill passed, other than that it must of course be done before the end of this month. I am quite agreeable to my honourable friend moving the adjournment of the debate; but if the bill should receive second reading tonight I would suggest that it be referred to the Standing Committee on Banking and Commerce, where officials could be present to give us further information. I shall be glad to accept whichever course my honourable friend prefers.

Hon. Mr. Aseltine: Unless someone else wishes to speak, I am quite prepared to agree that the bill go to a committee.

Hon. Mr. Robertson: Then, if the motion for second reading is passed, I shall move for reference to committee.

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

REFERRED TO COMMITTEE

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

The motion was agreed to.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, March 9, 1949

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

Prayers and routine proceedings.

IMMIGRATION

REPORT OF COMMITTEE

Hon. Cairine R. Wilson presented and moved concurrence in the second report of the Standing Committee on Immigration and Labour, as follows:

In connection with the order of reference of the 18th February, 1949, directing the committee to examine into the operation and administration of the Immigration Act, etc., the committee recommend that it be authorized to print 1,000 copies in English and 200 copies in French of its day to day proceedings, and that Rule 100 be suspended in relation to the said printing.

The motion was agreed to.

NEWFOUNDLAND-CANADA UNION BILL

INQUIRY

On the orders of the day:

Hon. Mr. Robertson: Honourable senators, last evening the right honourable gentleman from Vancouver Centre (Right Hon. Mr. Mackenzie) asked me whether I had received a report of the discussion in the Parliament of the United Kingdom as to the constitutional issues raised by the Newfoundland-Canada Union Bill. I am advised that during the second reading of the bill Mr. A. P. Herbert made a motion relating to the constitutional issues involved. Some discussion followed, and Mr. Herbert gave notice that he would raise those issues when the bill was considered in committee. For the information of my friend and other honourable senators, I would say that the Department of External Affairs receives the official report of the debates. I do not know that the supply is unlimited, but I am advised that a reasonable number of copies can be secured from that department as they arrive. I presume there is some slight delay in transmitting the copies.

Right Hon. Mr. Mackenzie: Thank you.

NATIONAL PARKS BILL

SECOND READING

Hon. Mr. Robertson moved the second reading of Bill O-2, an Act to amend The National Parks Act.

He said: Honourable senators, I have asked the honourable senator from Calgary to explain this bill.

Hon. George Henry Ross: Honourable senators, the southern half of the province of Alberta, particularly the city of Calgary and the surrounding country, is badly in need of power for industrial and domestic purposes. The Calgary Power Company is now supplying power, but cannot for long meet the demands made upon it unless the resources of Spray Lakes can be developed. The power company has made a deal with the province of Alberta, whereby it will develop this area if the province can effect a change in the boundaries of the Banff National Park to exclude 21·2 square miles which are necessary to carry out the development.

The purpose of this bill is to exclude this acreage from the park, and to turn it over to the province. The power company will then develop the project under its agreement with the province. I understand that when this bill has been given a second reading, the leader of the government intends to move that it be referred to one of the standing committees.

The Calgary Power Company, which supplies power to the city of Calgary, is now developing 110,000 horsepower from the Bow River and its tributaries; it also receives some steam-produced power from Edmonton. From the Spray Lakes project the company would develop an additional 90,000 horsepower.

Unless further power is developed in the very near future, Calgary is bound to experience a serious shortage of power. During the last week in February there was trouble with the power plant in Edmonton, so that the company did not receive its full quota from that source, with the result that the ammonia plant in Calgary, which is the largest producer of any commodity in the province of Alberta, received only 75 per cent of its requirements. In the same period the cement plant at Exshaw could obtain only 50 per cent of its requirements. A shut-down of the Exshaw plant, even for an hour, is a serious matter at this time when cement is so urgently needed for building and other purposes. In Calgary since the end of the war, new demands have increased the power load by approximately 9 per cent each year. If this rate of increase continues, the power company cannot hope to supply industrial requirements and domestic needs without the development of additional reserves.

When the natural resources were transferred to the province, it was agreed between the federal and provincial governments that certain areas of substantial commercial value would be excluded from the National Parks. Honourable Charles Stewart, who was Minister of the Interior when the legislation effecting the transfer was enacted, upon being

questioned as to the Spray Lakes project, had this to say, as reported in the House of Commons *Hansard* 1929, page 2885:

I want to make our position clear with regard to the Spray lakes. After a great deal of negotiation we have practically come to an agreement with regard to that question. A great many members of this house object to that development altogether on account of the scenic properties which will be interfered with, but in order to quiet a public opinion which is becoming aroused over the thought that we are going to trespass on the scenic properties of the national parks reserved for the people of Canada I have tried to readjust the boundaries of the park to cut out all the coal areas, with the single exception of one seam of which we know, and of course with the exception of the precious metals which might be discovered.

We have a proposed new line which is fairly satisfactory to the government of the province of Alberta and to ourselves, with the exception of some very minor adjustments, which cuts out the Spray lakes.

Later in the same speech Honourable Mr. Stewart had this to say:

I have said that the Calgary Power Company may have that licence provided that for the months of June, July and August we are guaranteed a flow of 350 second cubic feet daily down the Spray river. We believe that is the smallest flow which will provide against the fire hazard and not destroy the appearance of a very beautiful stream. That is the only restriction which has been placed upon the development of the Spray lakes up to the present time. It will be outside the park boundary and, of course, if this Act becomes law it will be under the jurisdiction of the province.

The agreement was entered into and the natural resources were turned over to the province. The parties thought they were excepting from the transfer the lands required for the Spray Lakes development. However, up to this time no definite survey had been made. The location of the boundary was necessarily general. A subsequent survey showed that the boundary about the lakes was not properly drawn. The object of this bill is to amend the boundary, and to convey to the province the property that both parties had intended it to receive.

Honourable senators can see in the excerpts which I have read from the speech of the Honourable Charles Stewart, that he thought it would be necessary to retain during June, July and August a flow at the mouth of the Spray River of 350 cubic feet per second. Mr. Ben Russell, Director of Water Resources for Alberta, after investigating this matter thoroughly, wrote to the Premier of Alberta. I think I should read the letter in full, because it is important to those who have a knowledge of power development. The letter is dated June 18, 1948, and reads as follows:

At your request I have wired to the Honourable J. A. MacKinnon the following:

"Regarding the flow of Spray River for scenic purposes at Banff it is my opinion based on knowledge of the stream flow and conditions at the location two hundred cubic feet per second would be adequate. Considering the value of the stream for power purposes any requirement above two hundred second feet would be wasteful."

A characteristic of streams is that the rate of flow varies, not directly as the depth, but more nearly as the fourth or fifth power of the depth. That is to say, a small increase in depth greatly increases the velocity, and therefore, the volume. The following water level elevations of the Spray River recently recorded at Banff adequately show the conditions there:

Flow 150 second feet—the recorded depth is 4·14 feet.

Flow 250 second feet—the recorded depth is 4·36 feet.

Difference 0·22 feet.

Flow 350 second feet—the recorded depth is 4·57 feet.

Difference 0·21 feet.

For each increase of 50 second feet then, the corresponding increase in depth is about one-tenth of a foot, an increase which is hardly perceptible even by those experienced to judge.

Assuming the tourist season to be from June 2 to September 10, or 100 days, the stream flow records would indicate that to maintain a flow of 200 second feet at Banff it is necessary to release from storage approximately 2,500 acre feet, which at say $3.50 per acre foot, its value for the production of power, amounts to $8,750. An increase in depth of one-tenth of a foot to increase the discharge to 250 second feet would require a release of an additional 10,000 acre feet or 12,500 acre feet, which at $3.50 per acre foot amounts to $43,750, and so on.

Although the above calculations are approximate they serve to show the extravagance of endeavouring to improve the scenery at the expense of the power development.

If greater stream flow depth was absolutely necessary then a more economical method of creating it would be to slow the velocity by weirs or other means.

(Signed) Ben Russell.

The present Minister of Mines and Resources is satisfied that a flow of 200 cubic feet per second would be sufficient to protect the scenic beauties, and that the company cannot economically operate if it has to supply more.

I should point out that the park authorities are opposed to the development of power within the boundaries of the park on the ground that it would interfere with the scenery. I have a great deal of sympathy with those who are anxious to preserve the beauties of our parks. The beauties of Banff National Park probably cannot be surpassed anywhere. However, I think the transfer in this case would not detract very materially from the scenic attractions for the following reasons:

1. Should these 21·2 miles be transferred to the province there would still be 2,563 square miles, or more than one and a half million acres within the park; and there are several hundred miles of roadway. The park is vast and contains great varieties of scenery.

2. The area proposed to be excluded from the park is all on the edge of the park.

3. The dam on the Spray River would be 23 miles up the Spray from where it enters the Bow river. From the north end of the reservoir so created the stored water would

be diverted through a system of canals, pipe lines and power houses, down Goat Creek valley, and out through the pass opposite Canmore, to the Bow river. I might say here that there is a mountain between Banff and the reservoir, so that the reservoir would not be approachable directly from Banff. Anyone wanting to go from Banff to the reservoir would have to travel 15 miles east to Canmore and then take the road that the company is building from there to the reservoir.

4. The streams and watersheds emptying into the Spray River below the proposed dam are usually adequate for scenic purposes. In the event of this bill being enacted, the power company has undertaken as follows:

1. That the licensee will not by works outside the boundaries of the said parks reduce the flow of water in the Spray river at its junction with the Bow river in Banff National Park to an amount less than 200 cubic feet per second during each of the months of June, July and August in each year hereafter.

2. That the licensee will, during the month of September in each year hereafter, supply such amount of water as may reasonably be required by Banff Springs Hotel for essential sewage and water supply.

3. That the licensee will provide in its works for the storage of water a valve capable of discharging water at the rate of 100 cubic feet per second and will discharge through such valve into the Spray river such water as may be necessary from time to time for the purpose of fighting fires within the said park.

5. Along the 23 miles between the proposed dam and the confluence of the Spray and Bow rivers there are no waterfalls, no cascades or other noteworthy features.

On the other hand, the advantages to be had from the development of this project are many. In the first place, as I have already pointed out, it would provide the city of Calgary and the southern half of the province of Alberta with power, without which they cannot continue to grow and prosper. Secondly, the reservoir control at the Spray Lakes will materially lessen summer floods and help to avoid winter floods that are dangerous to property and lives in Calgary. The city council of Calgary gave expression to this opinion on the 1st day of March 1948, when it passed the following resolution:

Whereas melting snow and rains in the Rocky Mountains west of Calgary have caused damages to properties in the city of Calgary;

And whereas serious winter ice jams and the consequent flooding during low temperature periods have resulted in considerable property damage in and adjacent to the city of Calgary;

And whereas storage reservoirs would collect and store excessive spring and summer water run-off and eliminate, or partially eliminate, the possibility of damage by flooding; and futher, as this reservoir stored water can be used to produce electric power during all seasons of the year and particularly in the winter season and provide the possibility of a more even water flow in the Bow river;

Therefore it is the opinion of this council of the city of Calgary that the construction of such reservoirs and electrical power developments known as the Spray lakes and Bearspaw developments will provide protection, and we therefore urge upon the governments of the Dominion of Canada and the province of Alberta the importance of issuing the necessary permits authorizing the construction of these projects.

It would provide also a scenic lake drive from Canmore. The City Commissioner of Calgary, who takes a special interest in fishing and sports generally, writes as follows:

By controlling the flow of water in the Spray river, this is one of the recognized methods of improving fishing in mountain or flood streams. The violent flooding of the streams scours the bottoms and washes the fish down to larger rivers, whereas if the Spray river were controlled there could be ponds and pools constructed which would be of the same size during the spawning season as during the fishing season.

I submit, therefore, that the production of waterpower cannot have any appreciable adverse affect upon the scenery of this vast park. Such adverse affect, if any, would be infinitesimal compared with the great benefit to Alberta and to Canada generally.

The project will cost upwards of $18 million. The company is already clearing brush and building roads, and is anxious to rush the work to a conclusion in accordance with the undertaking made with the provincial government, that the work would be completed by November 1, 1950.

We now come to section 3 of the bill, concerning the Elk Island National Park. The Province of Alberta has applied to the Dominion Parliament for the transfer of thirty-three feet of land from the north end of the park for the purpose of widening the highway which runs along the park's northern boundary.

By section 4 of the bill the Province of New Brunswick expresses its desire to have the name "New Brunswick National Park" changed to "Fundy National Park." As the province is making the request, I presume there will be no objection raised by the members of this house.

Hon. T. A. Crerar: Honourable senators, to sections 3 and 4 of this bill, as I see them, there can be no possible objection. The proposed amendment to the statute creating the Elk Island National Park simply takes out twenty odd acres for road purposes. Concerning the New Brunswick National Park, which is adjacent to the Bay of Fundy, "Fundy National Park" is probably a better designation than the old one.

I am not at all satisfied, however, with the proposed amendment whereby a certain area is to be taken out of the Banff National Park and be restored to the Province of Alberta; and I must confess that I am not greatly impressed by the authorities which the honourable senator from Calgary (Hon. Mr. Ross)

has cited in support of the change. I do not mean that I am opposed to the bill; but I think we should examine this proposal very closely.

When the National Parks Act was first enacted, many years ago, the cardinal principle implicit in the legislation was the setting aside throughout Canada of certain areas here and there which would forever remain in their natural state, to be an attraction to tourists and an evidence to future generations of the original condition prevailing in various parts of this country. One of the first parks set aside was the Banff National Park. This area was chosen because it had, to a peculiar degree, very considerable scenic value. So far as I am aware, Banff is the only national park where an effort has been made to extract for commercial purposes a portion of the originally designated area. I repeat that when the national parks legislation was enacted it was for the very purpose of preventing that sort of thing.

I must plead guilty to a lapse in that connection when, as Minister of Mines and Resources, I had the administration of national parks within my control. But that was during the war. One of the most beautiful lakes in the Banff National Park was Lake Minnewanka. It was situated in the hills as my honourable friend from Calgary will remember. During the progress of the war certain industries were established in the vicinity of Calgary for the purpose of adding, if I recall correctly, to Canada's output of explosives. The successful promotion of the work required additional power. The quickest way of securing it—indeed, at that time, the only way—was by tapping the waters of Lake Minnewanka. That was accomplished by the erection of a huge dam behind which the waters were allowed to accumulate during the season when the flow was strong, and from which they were drawn off when the streams were low. In this way the output of power was maintained. I recall distinctly that when I recommended legislation for the production of power in this way to my colleagues in the government, I did so solely on the basis of the urgent need of explosives for use in the war. At the same time, I made it very clear, I think, that but for that overriding necessity I would not have made my recommendation, for it resulted in a change in beautiful Lake Minnewanka. At a certain period of the year the shores of that lake are a huge mud flat; its natural scenic beauty has been largely destroyed, now and for all time to come.

There is the additional proposal in this bill that the waters from the Spray Lakes be confined, and that the amount of water which comes down the Spray River to join the Bow River be diminished to 200 cubic feet per second. Honourable senators who have been at Banff in the summertime will remember the beautiful stream which flows in front of the Banff Springs Hotel. That is the Spray River. I do not think a finer example of natural beauty can be found in Banff Park than these waters, tumbling over the rocks and past the Banff Springs Hotel to join the Bow River. It is now proposed to dam these waters, hold them in the Spray Lakes, and divert them to another route for the purpose of creating an additional 90,000 horsepower. Our only protection so far as this legislation is concerned is an understanding with the Province of Alberta that the flow will never be allowed to go below 200 feet per second.

My honourable friend argues that reduction of this limited flow will not impair the scenic value of the stream, and he quotes as an authority the secretary of, I believe, a fishing club in Calgary, to the effect that it will actually improve the stream for fishing. That statement, it seems to me, is not borne out by facts, because from primeval times down to the present these waters while they flowed uninterruptedly, untouched by the hand of men, have been good fishing streams. To me it is inconceivable that it is now necessary to reduce the flow of the stream to 200 cubic feet per second in order to provide conditions suitable for the culture of fish. So, with all due regard to my honourable friend, I cannot think that any great weight can be attached to that argument.

The point I am making, the issue I am trying to raise, is that the bill is a violation of the original purpose of the National Parks Act. If this spoliation is permitted in Banff National Park, will not a precedent have been created for similar action in any other park, if commercial interests deem it desirable. Personally I do not like this at all. My attitude is the same now as it was in regard to the Lake Minnewanka development, which, I repeat, I would never have recommended to my colleagues in the government had it not been for the necessities of war. When this bill goes to committee, I hope it will be carefully scrutinized, and that if it is to go through, it shall only be on condition that the flow per second be raised to something substantial enough to ensure that at all times the Spray River will be the really scenic stream it always has been, and not a mere procession of bare rocks with water skirting around them.

That is the only contribution I wish to make to the debate. I would again impress upon my colleagues in this honourable house that there is a definite purpose behind the

National Parks Act. The Act was passed with the object of preserving the pristine beauty and glory of places such as this. The impulse so to maintain them is as strong today as it has ever been in our history. We should be very loath to take any steps, because of purely commercial necessities, to weaken the purposes and principles which are the very basis of the Act.

Hon. W. M. Aseltine: Honourable senators, this bill proposes to do three things. The first is to remove from the Banff National Park approximately twenty-two square miles of land. Possibly that is the only part of the bill which is open to objection. Another purpose is to provide a strip of land thirty-three feet wide for a roadway. To that I do not take exception. Nor am I opposed to the changing of the name of "New Brunswick" National Park, if honourable senators who are present from that fair province do not object.

As regards the exclusion from Banff National Park of the area referred to in section 2, I wish to mention that when I first read the bill I could see many objections to the proposal. After having listened to the honourable senator from Calgary (Hon. Mr. Ross) I was less sure whether my doubts were justified. But the speech of the honourable senator from Churchill (Hon. Mr. Crerar) did something to confirm them, because the honourable senator more or less backed up what I said in 1947 when a bill somewhat similar to the present one was passed by this house.

Hon. Mr. Crerar: That was to take the swamps out of a park.

Hon. Mr. Aseltine: At that time the honourable senator from Churchill approved the removal of 350 square miles from the Prince Albert National Park, in the province of Saskatchewan. I was the only person in this house who opposed that removal—

Hon. Mr. Horner: I opposed it.

Hon. Mr. Aseltine: —with the exception of the honourable senator from Blaine Lake (Hon. Mr. Horner). The speech of the honourable senator from Churchill today represents an entire change of policy.

Hon. Mr. Crerar: No.

Hon. Mr. Aseltine: At least, I am of opinion that it does.

Hon. Mr. Crerar: If my honourable friend will permit, I shall correct him. My agreement to taking the area out of the Prince Albert National Park was based on the fact that it was mainly swampland and a breeding ground for mosquitoes. That is different from removing natural scenic beauty from the park.

Hon. Mr. Aseltine: There are plenty of mosquitoes at Banff. I was there one summer when the mosquitoes came right through the screened windows, and I could not sleep because of them. In my opinion, my honourable friend's reason for removing 350 square miles from the Prince Albert National Park in Saskatchewan is not a sound one. During the debate of June 24, 1947, at page 459 of *Hansard,* I said that I was unalterably opposed to the boundaries of any of our national parks being substantially changed. I am still more or less of that opinion. As has been stated, these parks were first established as playgrounds where people could spend two or three weeks each summer at little expense. Camping facilities have been supplied, and people find themselves right out in the open with nature as it has always been. Parks were established not only to provide the people with playgrounds in perpetuity, but also to conserve wild life within the park boundaries. Elk, deer, moose, beaver and many other kinds of wild animals can be seen in their natural state in every one of these parks. We should be very careful what we do.

I notice in the explanatory notes to this bill that in 1930—probably before my honourable friend from Churchill (Hon. Mr. Crerar) became Minister of Mines and Resources—630 square miles were withdrawn from Banff National Park. At that time it was thought that 630 square miles would be sufficient for the development of this power site; but it is now found that an additional 22 square miles are required. As I have stated previously, I am opposed to interfering with park boundaries. I feel that if 350 square miles were to be taken from the Prince Albert National Park, the province of Saskatchewan should give in return another 350 square miles of land which is not good for agriculture or anything of that nature, and which borders on the park itself. This practice should be followed so that the areas of these parks shall remain as large as they were intended to be in the first place. It seems to me that in this particular case the Province of Alberta should give to the federal government, for inclusion in the park, an area equivalent to the area which is being taken away.

There are many questions I wish to ask about this matter before the bill is passed. In looking at the map of the park I find that the location of the power site is a considerable distance from the town of Banff.

Hon. Mr. Ross: Twenty-three miles.

Hon. Mr. Aseltine: It is quite possible that the erection of this dam will not injure the

scenic beauty of the park. I am somewhat influenced by the fact that this dam may create a large lake in which there might be good fishing in the near future, but I am more influenced by representatives from Alberta in another place. The honourable senator from Lethbridge (Hon. Mr. Buchanan) may have something to say, but the members of the House of Commons to whom I have talked are all in favour of this legislation and claim that it will not injure the park in any way. They say this measure is absolutely necessary, and they want it put through as quickly as possible.

Subject to getting satisfactory answers to certain questions which I intend to ask in committee, I do not intend to oppose the bill.

Hon. Mr. Lambert: May I ask the honourable senator a question? Am I right in saying that the ammonia plant in Calgary, which is to receive the benefit of this increased power, is now owned by the Consolidated Mining and Smelting Company?

Hon. Mr. Aseltine: The honourable senator from Calgary (Hon. Mr. Ross) might be able to answer that question.

Hon. Mr. Ross: I am not sure, but I understand it is.

Hon. Mr. Lambert: It was previously a Crown company, and now it is the Consolidated Mining and Smelting Company.

Hon. W. A. Buchanan: Honourable senators, I do not want to delay the progress of this bill. I more or less agree with the former Minister of Mines and Resources (Hon. Mr. Crerar) about the preservation of our parks and in the idea that nothing should be permitted to lessen their scenic value. I would oppose this legislation if I felt that there was any strong sentiment from that standpoint amongst people who are interested in the Banff National Park a good deal more than I am. I have a special park reserve of my own over which I try to keep watch. It is in another part of the province. There is an organization known as the National Parks Association and when anything is proposed in Ottawa that it regards as likely to damage a park, I immediately receive protests. The organization has an alert secretary who keeps a watchful eye on the national parks of Western Canada, especially in the mountain area; but I do not recall having received any protest when this legislation was introduced.

I agree with the honourable acting leader of the opposition (Hon. Mr. Aseltine) that, as far as Alberta sentiment is concerned, there probably is not much opposition to this legislation in the other place. However, I too should like to have more information on this bill as it affects the Banff National Park, and I think it can only be obtained from officials in the Department of Mines and Resources.

Although the boundaries of our national parks have been defined, they have been altered in the past. For instance, the boundaries of Waterton National Park, where I have my summer home, were altered by taking out a portion of land that I never thought was of any value. It had no outstanding fishing streams and was never visited by tourists. It was some distance from the mountain area of the park, and there was justification for its removal.

I do not think any rigid rule can be laid down in relation to the boundaries of parks; but I do feel that any legislation that would interfere with the scenic value of a park should be considered very carefully before being passed by this chamber. The opinion of officials of the Department of Mines and Resources, particularly those responsible for the administration of the parks themselves, should be made available to us in committee, where we can ask any questions that are in our minds and become either satisfied with the measure or more critical of it than we are now.

Hon. Wishart McL. Robertson: Honourable senators, I heartily agree as to the desirability of sending this bill to committee. In fact, in view of the number of committee meetings already set down, I took the precaution of arranging for a meeting of the Natural Resources committee to consider the bill immediately after the Senate rises this afternoon. The necessary departmental officials will be present at that meeting.

I do not think anyone can take exception to one point that has been stressed by the honourable the acting leader of the opposition (Hon. Mr. Aseltine), the honourable gentleman from Churchill (Hon. Mr. Crerar) and the honourable gentleman from Lethbridge (Hon. Mr. Buchanan), namely, that it is desirable to protect our national parks from encroachments that would in any way detract from their scenic value. I am not in a position to give specific answers to some of the questions that have been raised, and I think these had better be dealt with in committee. However, from what was said by the honourable gentleman from Calgary (Hon. Mr. Ross), I gather that when the original transfer to the province was made there was excepted from Banff National Park an area of some 630 square miles which it was contemplated would be required for power development. That area was never included in the park area, or if it was included, it was taken out again in 1930. It seems to me that if an additional 22 square miles had been considered necessary for power purposes when the actual

surveys for the transfer were made, no one would have objected very much to making the excepted area 652 square miles instead of 630.

My honourable friend from Churchill (Hon. Mr. Crerar) raised a question as to the sufficiency of the restricted quantity of water which the Province of Alberta will undertake to supply during the summer months from the flow at the confluence of the Spray and Bow rivers. I am not in a position to make a definite statement as to this, and I think the best way to secure any further information is by a reference of the bill to committee. I propose to move a reference if the Senate sees fit to give the bill second reading.

Right Hon. Mr. Mackenzie: Honourable senators, may I take just a moment to offer congratulations to my honourable friend from Calgary (Hon. Mr. Ross)—my old friend, with whom I was long associated in another place—upon the clarity with which he presented the case for the application under this bill? Also I should like to congratulate my honourable friend from Churchill (Hon. Mr. Crerar)—if he will permit me—who brought to this discussion a very full knowledge gained from many years of administration of our National Parks.

I desire to give notice that when the committee meets I shall ask for a complete picture of the financial structure of the corporation on whose behalf this application is being made. The department should be prepared to supply that information to honourable senators.

Hon. Mr. Leger: Honourable senators, I wish to refer to section 4 of the bill, which proposes that the name "New Brunswick National Park" be changed to "Fundy National Park." To me the proposed name means absolutely nothing. The word "Fundy" standing by itself is not even a name. If the new name were to be "Bay of Fundy National Park" there would be some sense to it.

Hon. Mr. Aseltine: Who was Fundy?

Hon. Mr. Leger: I do not know. If the name were to be changed to "Bay of Fundy National Park" people visiting New Brunswick would have some idea where the park was.

Hon. Mr. Jones: Hear, hear.

Hon. Mr. Leger: I may have something to say about this when the bill goes before the committee.

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

REFERRED TO COMMITTEE

Hon. Mr. Robertson moved that the bill be referred to the Standing Committee on Natural Resources.

The motion was agreed to.

SPEECH FROM THE THRONE

ADDRESS IN REPLY

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

(Translation):

Hon. Cyrille Vaillancourt: Honourable sentors, a little over a hundred years ago, our great compatriot La Fontaine obtained from the Parliament of Canada the right to use the French language in Parliament on the same footing as the English language and, in order to commemorate that event and the recognition of that right, I would like to express myself today in my mother tongue.

First, I want to thank our Speaker for his fine gesture in reciting in French the opening prayer, at least once every week.

I also thank the mover and the seconder of the Address in reply to the Speech from the Throne, and I wish to congratulate them on the brief, clear and precise statements which they made on that occasion.

I would also welcome our new colleagues, because I know that their experience and their sound judgment will be most valuable to us all.

As the leader on the other side mentioned in his speech, many things have happened since the last session. It is a fact. First, there is the resignation of the Right Honourable William Lyon Mackenzie King, who, after more than twenty-five years in office, has resigned the post of Prime Minister of Canada.

As a Canadian citizen, I feel bound not only to pay tribute to him but also to let him know in all sincerity how much we admire everything he has done. Posterity may well regard him as one of the greatest prime ministers in the world, because he was one of the greatest economists in modern times. History will also recognize him as having inspired, even created, all the social legislation which we have passed in the last seven or eight years.

This legislation is not perfect, but at least it lays the foundations of something better.

There were two great conventions: one in the summer and the other in the fall. As etiquette requires that one should always mention the other party first, I will deal in

the first place with the Progressive Conservative convention where a new leader was chosen. This time, however, a change in leadership did not mean a change in name. It seems that the new leader of the other party has reawakened hopes, and stiffened the morale of his supporters which appeared to be faltering. The new leader, who is an able debater, is worthy of his party and will, I am sure, make a good leader of the opposition and I hope that he will remain in the opposition for a long time.

A Liberal convention was also held last summer to choose a new leader—I mean a new leader who seven or eight years ago was unknown in political life. He was called upon to accept that important post, because in his private life, as well as in his profession, he had shown such character and insight in all spheres of activity; such vision and learning, that everyone claimed that no greater man could be found. He was chosen, however, especially because he was an honest and worthy man who never had to repent having told his fellow citizens the truth, even though the truth sometimes hurts. I hope that he will ever wish to remain in public life.

Some Hon. Senators: Hear, hear!

Hon. Mr. Vaillancourt: In fact, to describe adequately the character of our new leader, I could do no better than quote the words addressed to him by His Excellency Bishop Desranleau of Sherbrooke on the occasion of a reception given in his honour by his alma mater. Bishop Desranleau said the following to his former school-mate at Sherbrooke Seminary:

> What makes you stand out particularly, Mr. St. Laurent, is your sincerity and unshakable confidence in truth. You found out, as we all did, that one must always tell the truth and never hide it; truth, in the final analysis, is always the best policy. You are a man so sincere, so upright and loyal that it is a great honour and pleasure for me to hold you up as an example to our Canadian youth.

Could anyone speak more highly of our new Prime Minister? I stress this point because I have known Mr. St. Laurent for quite a long time and to my knowledge he has never contradicted himself whether in private or in public life. If I insist upon the great frankness and sincere loyalty of our Prime Minister, it is in order to answer certain insulting remarks made about a man who has such a high sense of duty, integrity and honesty. It is high time to say these things publicly. Encouragement must be given to those who respect themselves and still believe in loyalty and honesty. No one could be loyal and honest and at the same time be disloyal to his people. Only sectarian minds could entertain such thoughts.

Some of his fellow-citizens believe that because he is a politician he must be slandered and vilified. He is not a politician; he is a statesman, which is not the same thing, because a statesman is the leader of a nation. He is an honest man, and when someone says that he is too honest to be Prime Minister, I find such a statement disappointing and discouraging. When a nation possesses a man endowed with such frankness, it is our duty to give him public recognition and to acknowledge his integrity, his honesty, his greatness and his frankness. This is the reason why I make such a statement today.

Since I am speaking of facts which do not exactly concern the Speech from the Throne . . .

Hon. Mr. Howard: Go on.

Hon. Mr. Vaillancourt: I shall come back to that presently. However, I will not discuss the matter at length. Something else has happened: oleomargarine has been placed on the market.

Some Hon. Senators: Oh oh.

Hon. Mr. Vaillancourt: We were told: "We must have margarine because there will be a shortage of butter." For a year now newspapers have been warning the public that there would be a shortage of butter. In my province, before the war, when August or September came along, a great number of people used to bring in their supplies for the winter; they would buy a hundred, two hundred pounds of butter, because they knew that most creameries were closed during the winter months. There was no shortage of butter. Indeed, butter made in August or September is better than butter made during the winter. This year there is no rationing. People are coming back to the old custom. However, there were some who feared a shortage of butter; so they brought in their supplies. But as soon as oleomargarine appeared on the market, rumours about an impending butter shortage died down. However, we were told in the fall that butter stocks were smaller than those of last year, that we were forced to import butter; but, believe it or not, while butter stocks were decreasing, the price was going down also. At present, the wholesale price of butter is, I understand, a cent and a half lower than it was at the end of the summer. Here is the explanation. I made inquiries in Montreal, Quebec and in my home town of Levis, where there is only one cold storage plant, thus facilitating matters. People were saying: "There is no butter, but warehouses are filled with it." There is less butter in warehouses now, than last year, because grocers are selling more butter

this year. It is claimed that butter supplies have gone down; this is because warehouses declare only the stocks of butter stored on behalf of wholesalers. Grocers are selling much less butter because thousands of families have brought in their supplies in the fall. However, butter was selling for 70 cents per pound wholesale in September, whereas in November the price had fallen to 68½ cents. There was no margarine on the market at that time. Newspapers laid too much emphasis on the matter. Figures are often misleading. That explains the situation.

It is frequently claimed that with figures it is possible to prove anything, even a falsehood. Nevertheless, it cannot be denied that dairying is one of the chief branches of agriculture in the Eastern provinces as well as in the Maritimes. If dairying is destroyed, the livestock industry will be destroyed, and in that event our fellow-citizens of Western Canada will be unable to sell their grain. As a result, if farmers can no longer make a decent living on the farm they will leave the land to swell the population of cities, and economic and moral crises will follow.

To sum up, price is not the only factor to be considered in the controversy over butter and margarine. The problem may have far-reaching effects on the economy of our country. Some may say that other countries also face similar problems; but is there another country like Canada where the growing season lasts only six months and where during the rest of the year farmers must feed their stock without getting any returns?

An Hon. Senator: Let us change the climate, and then we may discuss the matter.

Hon. Mr. Howard: It seems that the climate has changed.

Hon. Mr. Vaillancourt: Now, owing to their jealously guarded autonomy, provinces will tear one another apart; in some margarine will be allowed while in others it will be prohibited. It is said that Quebec has passed a law prohibiting margarine. This is not quite true. The law prohibits the importation, manufacture and sale of margarine in the province of Quebec, provided the Minister of Agriculture requests that it be enforced.

Hon. Mr. Hugessen: It was a disappointment.

Hon. Mr. Vaillancourt: It is difficult to prohibit a certain thing in one province while it is allowed in another.

Be that as it may, let us leave the matter of butter and margarine to return to the Speech from the Throne.

Hon. Mr. Lacasse: If there is ever a threat of divorce between butter and margarine, the Senate could attend to the matter.

Hon. Mr. Vaillancourt: This reminds me that I intended to discuss divorce. Things are going badly enough among families; for heaven's sake, let us refrain from extending the scope of the law in order to make divorce even easier. People claim that when a man and a woman can no longer get along together, it is preferable that they should separate. But let us think of the other families who live happily. We must not pass laws for each individual case; otherwise there will be no end to it. I do not wish to blame the senators who sit on the Divorce Committee; on the contrary, I admire them; I admire their virtues, for it takes a well tempered soul to listen to all those testimonies without despairing of human virtues. However, we would be happier if we reverted to the habits of living of the past.

Some Hon. Senators: Hear, hear!

Hon. Mr. Vallincourt: Reference is made to housing in the Speech from the Throne. Since the end of the war the government has been trying to eliminate discriminatory laws. No one will deny, I a msure, that discriminatory laws are necessary in wartime. "We have an Act respecting rent control," says the government, "and we are prepared to let any province assume such control". The provinces reply that they do not want to assume it. The housing problem, however, is a matter which comes under provincial or local rather than Dominion jurisdiction. When the provinces are reluctant to deal with a matter, they pass the buck to the Dominion Government and prate about autonomy; at other times, however, they denounce centralization. All the same, there should be co-operation between the provinces.

There is a housing problem not only in Canada but throughout the world. The fact that this problem is universal in scope does not mean that it could not be solved. There is much talk of communism in Canada. What does it matter to people living five or six together in, say, two rooms? It is useless to talk and protest; they do not care, as they have nothing to fight for, no home to protect. In the cities of Moneral and Quebec, for instance, where the number of home owners hardly represents 14 to 18 per cent of the total population, is it possible to fight communism? To build a $6,000 house, the Central Mortgage Corporation will lend 90 per cent of the total value. Who will supply the other 10 per cent? A labourer earning

$34 a week will never be able to a save cent. Do you think he can build a home and thus become a home-owner?

What then is the solution to the problem? In my opinion, it is a question of co-operation between the provinces and the municipalities. The province of Quebec is prepared to lend money at 2 per cent to prospective home-builders. That is all very well for houses built since December 17, 1948. That is not enough, however, because the 10 per cent has still to be found and the tenant has not got it. The local or provincial government should advance the 10 per cent. The workingman can pay his monthly rent, but that is all he can do. While we spend hundreds of millions of dollars for road construction, could we not earmark a few millions to house our workers? That would be one of the best ways to combat communism, and co-operation between the federal and provincial governments is needed to this end.

Co-operation is different from assimilation, state control or socialism. It is the union of all efforts however small.

From January to November 1948, the Central Mortgage Corporation made 15,703 loans, amounting to about one hundred million dollars, and covering a total of 19,093 housing units. Out of this total Quebec received $25,313,480, for 5,017 housing units.

So, with the co-operation of the provinces, the cities and municipalities, it would be possible to do a great deal more, and, over a period of five or ten years, to solve this moral and economical problem.

The Speech from the Throne mentions certion improvements to the Family Allowances Act. The Act, as it stands today, is not perfect, but even so it is a good piece of legislation.

Hon. Mr. Howard: Hear, hear!

Hon. Mr. Vaillancourt: There are some who in a fit of temper have talked of a "baby bonus" as a vote catcher.

Hon. Mr. Lacasse: That name has not been used for some time.

Hon. Mr. Vaillancourt: I shall not dwell on the point. I may refer to it when the bill is introduced. Twenty-six countries enjoy similar legislation. I have studied the twenty-six Acts and have failed to find one that was better than our own.

Who can deny today that the Family Allowances Act is helping the population tremendously. Without it, how many homes would be in straitened circumstances, or even poverty stricken. Once it is completed and improved, this Act will represent one of the fairest and best social measures ever enacted by any government.

We have considered the Family Allowance Acts of all other countries. I am happy to say that ours is the fairest in its application. For instance, there is no special taxation of employers to take care of these family allowances. In countries where there is such taxation, employers are inclined to employ those who have fewer children. These countries, where the birth rate is decreasing, are bound to disappear as economic and geographic entities. Economically speaking, consumption must be increased if production is to be increased. How could consumption be better increased than by increasing population, especially through the birth rate? Children, therefore, represent a great contribution to the economic life of a nation.

The Speech from the Throne mentions the North Atlantic Pact. This, for a Quebecker, is dangerous ground.

Hon. Mr. Howard: Oh no, oh no.

Hon. Mr. Vaillancourt: After a trial such as took place in Hungary, can we remain neutral before the danger which threatens us? The Pope, that great Christian authority who advocates peace, understanding and charity, stated in his Christmas message:

> A convinced Christian cannot confine himself within an easy and egoistical "isolationism," when he witnesses the needs and the misery of his brother; when pleas for help come to him from those in economic distress; when he knows the aspirations of the working classes for more normal and just conditions of life; when he is aware of the abuses of an economic system which puts money above social obligations; when he is not ignorant of the aberrations of an intransigent nationalism which denies or spurns the common bonds linking the separate nations together, and imposing on each one of them many and varied duties towards the great family of nations.
>
> A people threatened with an unjust aggression, or already its victim, may not remain passively indifferent, if they would think and act as befits Christians; all the more does the solidarity of the family of nations forbid others to behave as mere spectators, in an attitude of apathetic neutrality. Who will ever measure the harm already caused in the past by such indifference to war of aggression, which is quite alien to the Christian instinct? How much more keenly has it brought home to the "great" and especially to the "small," the sense of their insecurity?
>
> One thing, however, is certain: the commandment of peace is a matter of divine law. Its purpose is the protection of the goods of humanity, inasmuch as they are gifts of the Creator. Among these goods some are of such importance for society, that it is perfectly lawful to defend them against

unjust aggression. Their defense is even an obligation for the nations as a whole who have a duty not to abandon a nation that is attacked.

I shall leave it at that. We all seek peace; but are we really trying to find a real peace based upon security? Are we taking the proper steps to insure such peace? For about two years, delegates from nearly every country of the world have been meeting at Geneva to explain what is meant by human rights. If someone possesses a right, it is because it has been given to him. The fact that I am here does not give me any right to be here; if I am here, if I speak in this house, it is because I have been appointed as a senator; that constitutes my right to speak in your presence. If my children enjoy a right to life it is because my wife and I have given them the right to live. For two years, people have been talking about human rights; even so, they have forgotten to mention where these rights originated. Read the Charter of Human Rights and try to find anywhere the name of God. Where did man get these rights if not from God? Who would protect mankind if men were pitted against one another? One would say: "It is my right"; the other would answer: "No, it is mine". What would happen if there were no authority to make a decision? Is there anyone today to deny God's existence? I fear for tomorrow's democracy because the Author of all human rights has been forgotten. It seems to me that instead of catering to atheistic Russia's wishes, Christian countries should have recognized God. Unfortunately, mankind is sinking lower and lower, because everybody thinks that the rights he holds are not accompanied by any kind of duty. If my neighbour is entitled to the right of living, it is my duty to respect that right. If I have a right to work for my employer, it is my duty to earn my wages. People clamour for the recognition of their rights; they never talk about their duties. No one wants to work, but everybody wants more money and yet it is thought that the world will be the better for it.

In order to illustrate better this idea of co-operation, which I have expounded before, I would like to give as an example our own Confederation. If we are today under Confederation it is because, previously, there was nothing but disunity in the country. To be convinced of the fact, one has but to read the reports of the discussions which preceded the establishment of Confederation. On February 6, 1865, Sir John MacDonald said, as it is reported on page 31 of the debates on Confederation:

> It is impossible not to see that although we have been nominally under a legislative union and although we sit in one Parliament which, according to the Constitution is supposed to represent the population as a whole, regardless of the various sections or localities, we know, through experience, that following the Union we have been really under a Confederation; that, in matters concerning Upper Canada, the representatives of that section deal exclusively with the laws affecting them; and that the same applies to Lower Canada. We are in fact under a federal union even if the said union is purely nominal; and we know that, in the course of the very lively discussions which have taken place in recent years when a measure concerning one of the sections was attacked by members of the other section who were not directly concerned; or when a measure dealing with the local interests of Upper Canada was adopted or rejected in spite of the wishes of the majority with the help of Lower Canada's votes, my hon. friend the Chairman of the Council and his followers denounced, with the most consummate skill and the greatest energy, this mode of legislation as being a violation of the rights of Upper Canada. (Hear! hear!) The same thing applied to Lower Canada when a bill became a law against the will of the majority; all its representatives rose as one man to protest against the violation of their rights.

The purpose of Confederation was to create a central government which would co-ordinate the interests of the provinces which would participate in it. In conclusion, I earnestly hope that the unity, the co-operation, the strength so necessary to ensure in Canada a happy and a full life will not be lacking. We are often told: "Follow in the steps of your worthy fathers". Let us remember that if it is true that we are the sons of our fathers, we are also the fathers of our sons. Let us be worthy fathers to our sons in order that tomorrow they shall respect us as we today respect the memory of our fathers, and shall love their country, their Canada which extends from coast to coast, because throughout its breadth will exist true co-operation, the most complete form of charity and understanding.

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

The motion was agreed to.

The Senate adjourned until tomorrow at 3 p.m.

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

The motion was agreed to.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Thursday, March 10, 1949

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

Prayers and routine proceedings.

PRIVATE BILL

REPORT OF COMMITTEE

Hon. Mr. Copp presented the report of the Standing Committee on Transport and Communications on Bill M, an Act respecting the Dominion Atlantic Railway Company.

He said: Honourable senators, the committee have, in obedience to the order of reference of February 17, 1949, examined the said bill, and now beg leave to report the same without any amendment.

THIRD READING

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

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

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

NATIONAL TRADE MARK BILL

REPORT OF COMMITTEE

Hon. Mr. Sinclair presented the report of the Standing Committee on Banking and Commerce on Bill C, an Act respecting the Application of a National Trade Mark to commodities and respecting the true description of commodities.

He said: Honourable senators, the committee have, in obedience to the order of reference of the 8th February, 1949, examined the said bill, and now beg leave to report the same with the following amendments:

1. Page 2, lines 17 to 19: Delete paragraph (d) of clause 4 and substitute therefor the following paragraph:—

"(d) prescribing the standards or specifications, including those established under any other Act of Parliament, to which any commodity shall conform if the national trade mark is applied thereto;"

2. Page 2, lines 31 to 44: Delete paragraphs (a), (b) and (c) of clause 5 and substitute therefor the following paragraphs:—

"(a) prescribing the form and manner in which any commodity designated by him or any package or container thereof, if marked or labelled or described in advertising for the purpose of indicating the material content or quality of such commodity or the size or contents by weight or measure of the package or container, shall be marked or labelled or described in advertising for such purpose;

(b) prohibiting acts inconsistent with anything so prescribed."

3. Page 2: Add to clause 5 the following subsection:—

"(2) Every regulation made under section four of this section shall be laid before Parliament within thirty days after it is made, or if Parliament is then not sitting, within thirty days after the commencement of the next ensuing session thereof."

The Hon. the Speaker: When shall these amendments be taken into consideration?

Hon. Mr. Robertson: Tuesday next.

Hon. Mr. Mackenzie: Honourable senators, as a matter of personal conscience I wish to raise the question which I had the honour of raising in committee this morning. I am not objecting at all to the report just presented, but I do object most strongly to the phraseology of section 8 of the bill. I dislike particularly the part which says that a person who does certain things "is guilty of an offence". Honourable senators, the language of the Criminal Code is "shall be guilty of an offence", which is entirely different. But this bill pronounces a man guilty before he enters court for his case to be heard. As a Liberal whose beliefs are largely founded on the Liberalism followed in the Old Land, I protest against this phraseology, which is now appearing in practically all our statutes that provide penalties.

NATIONAL PARKS BILL

REPORT OF COMMITTEE

Hon. Mr. Crerar presented the report of the Standing Committee on Natural Resources on Bill O-2, an Act to amend the National Parks Act.

He said: Honourable senators, the committee have, in obedience to the order of reference of March 9, 1949, examined the said bill, and now beg leave to report the same without any amendment.

THIRD READING

Hon. Mr. Robertson moved the third reading of the bill.

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

BANKRUPTCY BILL

REPORT OF COMMITTEE

Hon. Mr. Hugessen presented and moved concurrence in the second report of the Standing Committee on Banking and Commerce, as follows:

Your committee recommend that it be authorized to print 1,000 copies in English and 400 copies in French of its day to day proceedings on the Bill N, intituled: "An Act respecting Bankruptcy", and that Rule 100 be suspended in relation to the said printing.

The motion was agreed to.

LIVE STOCK PEDIGREE BILL, 1949

FIRST READING

Hon. Mr. Robertson presented Bill P-2, an Act respecting the incorporation of Pure-bred Live Stock Record Associations.

The bill was read the first time.

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

Hon. Mr. Robertson: With leave of the Senate, Tuesday next.

BUSINESS OF THE SENATE

On the Orders of the Day:

Hon. Mr. Robertson: Honourable senators, before the Orders of the Day are proceeded with I wish to state that, having carefully considered what business is before us, I intend to move later this afternoon that when the house adjourns today it stand adjourned until 3 o'clock in the afternoon of Tuesday next, March 15. I am making now not a formal motion, but simply a statement for the information of honourable senators.

PENSION FUND SOCIETIES BILL

CORRECTION OF STATEMENT

On the Orders of the Day:

Hon. Arthur Roebuck: Honourable senators, I have a correction which I feel it is my duty to make. Prior to our recent ajournment I spoke on the Pension Fund Societies Bill, and in the course of my remarks I gave a list of companies which I said had filed a declaration under the Act. One of those I named was the Bank of Montreal, which was shown as having filed its declaration in the year 1948. In the course of the recess I received a letter from the President of the Bank of Montreal, who says:

> I have been wondering from what source this information could have been obtained as so far as I know we have never filed a declaration under the Act, the Pension Fund Society of the Bank of Montreal being incorporated by special Act of Parliament which received the Royal Assent on the 1st of May, 1885.

I should explain, honourable senators, that my information came from the department, and the error was made by a clerk there.

The President's letter concludes with these words:

> This is not perhaps a matter of great importance but I thought it best to write you so that the statement should not remain unchallenged.

While I appreciate that it is not a matter of great importance, I too feel that the statement should not remain uncorrected.

PRIVATE BILL

SECOND READING

Hon. A. K. Hugessen moved the second reading of Bill L-2, an Act respecting the Pension Fund Society of the Bank of Montreal.

He said: Honourable senators, this bill, submitted on behalf of the Pension Fund Society of the Bank of Montreal, is I think unexceptionable. As was stated a few minutes ago by my honourable friend from Toronto-Trinity (Hon. Mr. Roebuck), the society was organized by a special Act of the Parliament of Canada in the year 1885. The purpose of that Act was to establish a contributory pension fund for the officers and employees of the Bank of Montreal. The society has continued to administer the fund ever since.

Hon. Mr. Leger: Did I understand the honourable senator from Toronto-Trinity to say that the Bank of Montreal did not need any assistance under the Act, as their society had been incorporated in 1885?

Hon. Mr. Hugessen: That is correct; but the Act with which the honourable gentleman from Toronto was dealing was the Pension Fund Societies Act, which as a matter of fact was passed by parliament after the special Act authorizing the creation of the Bank of Montreal's Pension Fund Society.

I am informed that at the present time the society has approximately 3,300 members, about 800 pensioners, and invested funds amounting to something in excess of $38 million. The object of this bill is to clarify the society's powers of investment.

Under the original Act of 1885 these powers to invest its funds were unlimited. But in 1936 it was found that some of the mortgages taken by the society had gone bad, and the properties had to be taken over. Under existing legislation it was doubtful whether the society had the right to do this. For that reason an amending Act was passed in 1936. Unfortunately, however, that Act provided the right to invest the society's funds in securities such as a trustee may invest in under the Trust Companies Act. That provision was not meant to be limiting, but the legal question has now arisen whether or not it is limiting, and whether or not the society is now limited to investing in trustee securities. It is to remedy this doubt that the present bill is introduced.

As honourable senators will note, the bill purports to declare that the corporation may invest its funds in any securities in which insurance companies registered under the Canadian and British Insurance Companies Act, 1932, may invest funds.

Hon. Mr. Leger: That is wider than the Trust Companies Act.

Hon. Mr. Hugessen: It is a great deal wider, and conforms, I think, to modern practice. Honourable senators will recall that the Department of National Revenue deals with companies which establish funds of this kind, and for income tax purposes authorizes them to deduct their contributions to such funds. The department insists that these funds shall have the right to invest moneys in such securities as insurance companies registered under the Canadian and British Insurance Companies Act may invest funds.

Hon. Mr. Aseltine: How much wider is this than the Trust Companies Act?

Hon. Mr. Hugessen: It is a good deal wider. Honourable senators will recall that under certain circumstances insurance companies may invest their funds in the common stock of corporations which have paid regular dividends for a number of years, and other investments of that sort. The bill simply brings the Pension Fund Society of the Bank of Montreal, for income tax purposes, into line with the other pension fund plans approved by the Department of National Revenue.

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

REFERRED TO COMMITTEE

Hon. Mr. Hugessen moved that the bill be referred to the standing committee on Banking and Commerce.

The motion was agreed to.

SPEECH FROM THE THRONE

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

Hon. Thomas H. Wood: Honourable senators, may I join with those who have previously spoken in extending my sincere congratulations to the mover and seconder of the Address. Both these honourable senators bring to this house a rich experience of public service in their respective provinces.

May I for a moment strike a personal note in sincere appreciation of the expressions of good will and the courtesies extended to me since I became a member of this house? I know this kindness is intended as a compliment to the province of Saskatchewan, and particularly to the city of Regina, which I represent.

May I, at this time, extend Saskatchewan's greeting to our new sister province, Newfoundland?

Though I have spent the greater part of my adult life in Saskatchewan, my earlier years were spent in Ontario, and it is my intention in the not-too-distant future to visit the Maritime Provinces. I hope that many Easterners, who have not visited Western Canada, will do so, especially the grain-growing section.

This brings me to my subject-matter for this afternoon—some of the problems of the western farmer. Briefly and simply I should like to discuss some of the causes for the rise and fall of wheat prices, as there has been some discussion in this house on the subject.

During the first thirty years of the century the export of wheat provided a basis for the rapid growth of Canadian wealth and population, and the war of 1914-1918 greatly quickened the production of wheat in Canada. This same cause greatly reduced the European wheat acreage. The high cost of marine insurance and freight in wartime put Australia and Argentina at a disadvantage, so the European demand for wheat during this period had to be met by Canada and the United States. Wheat prices rose to average for the following years:

1914-15	$1.32	per	bushel
1915-16	1.10	"	"
1916-17	1.97	"	"
1917-18	2.22	"	"
1918-19	2.24	"	"
1919-20	2.59	"	"
1920-21	2.07	"	"
1921-22	1.34	"	"
1922-23	1.10	"	"

It will be noted that the prices over this nine year period are higher than what the farmer may expect in a similar period during and after the Second World War. The cost of living in this period of the First World War was pretty much in line with the cost of living in the Second World War period.

In this wartime increase of wheat production there were weaknesses. Trouble could be expected when Europe settled down to peacetime agriculture again. European countries, especially Germany, had learned through the wheat blockade how dangerous it was, without command of the seas, to be dependent upon foreign food, and they were prepared to protect their farmers. By 1929 only the United Kingdom, Eire, Belgium and Holland admitted wheat without payment of substantial import duties.

The consequences for Canada of the re-establishment of European agriculture to a peacetime basis after the first war were made

more serious by the slow growth of population in Canada, and by a change in consumer habits in Europe, which reduced the preference for hard wheat. In 1931-32 the average price of wheat at the farm was 35 cents to 38 cents in Canada.

During the First World War we had available markets in Holland, Italy, Roumania, Russia, France, and part of Belgium and some other countries. Most of these countries used all their manpower to wage the war. In the Second World War, within a few months of early 1940, Italy and Roumania were fighting against us; France, Belgium and Holland had been overrun. This left us only one important market for our wheat—England. The result was that wheat was accumulated in Canada until 1944, when we had a surplus of wheat, including that year's crop, of nearly one billion bushels. There was so much wheat that the Dominion Government supplied funds to build lean-tos and other storage space in co-operation with the elevator companies. Producers were urged to keep their wheat on the farm, and farmers were paid not to grow wheat.

It must be remembered that much of this surplus was available when the war ended. In anticipation of the war ending at this time, the various nations opposing Germany had their economists report on probable conditions in their own countries as to what would be the outlook for business and employment. In each country, including Canada, the response was a so-called "white paper" report that there would be great dislocation in each country's economy, and great unemployment for at least a year or two, until the men returning from war could be re-established. In the light of these reports, and with nearly a billion bushels of surplus wheat in Canada, it is understandable why Britain was prepared to pay only $1.35 and $1.55 per bushel for wheat in the first two years of its contract. In fact it was thought that wheat on the world market might go even lower than these prices, and this opinion was expressed in the report of at least one of the nations. But what really did happen—which no one seems to have taken into account—was that Europe, particularly Germany, was so badly dislocated that former enemies had to provide the people with food, clothing and other necessities from stocks accumulated on the American continent. I doubt very much if anyone could have foreseen that it would be necessary to supply food and clothing to the desperate people of Europe for over three years: but now the people of Europe are supplying, to a greater degree, their own needs so far as grain is concerned. This they must endeavour to do because of a lack of dollars and the high price of wheat.

I recall a conversation which took place in 1929 with a man connected with the Grain Growers' Association. He asked this question: "Why don't we sell our surplus wheat to China, even if we receive only 50 cents a bushel?"—a price which, I understand, had been offered for low-grade wheat. It must be remembered that in 1929 Western Canada had a surplus of wheat which was frozen and of a very low grade, and which could not be disposed of to our regular customers. They desired our hard wheat to mix with the soft-grade wheat of their own growing. Because of this surplus of low-grade wheat, markets would have to be found elsewhere. A few years later, with carrying charges and interest deducted, this same wheat was sold for 25 cents a bushel or less, simply because we had a price tag beyond what poorer nations could pay.

In demanding an unreasonably high price for his wheat the farmer is defeating his own purpose, because European re-establishment and the dislocation of currencies will result in forcing down the price obtainable, and we may find ourselves again facing the possibility of 35 cent wheat. The people on this continent will not be the only ones to suffer as a direct result of a price held unreasonably high.

In European countries when the protection of wheat, in particular, became stronger after the First World War, grain growing expanded, but other agricultural activities were curtailed. The result has been a serious decline in the standard of nutrition in Europe. Thus, other parts of the world, already with "two strikes against them" in their struggle to rehabilitate themselves, cannot now and never could afford to pay a high price for wheat.

I have lived in Western Canada for nearly thirty-seven years, and I think I may say without fear of contradiction that the western prairies as a whole have never known such prosperity as we have at the present time. There is the possible exception of those parts which perhaps never should have been sown to wheat, and even some of these areas will in time be served by the great Saskatchewan River project. This prosperity has come about on $1.55 wheat. That is the price that has been paid on the British contract to date. I repeat that this prosperity on the prairie is based on $1.55 wheat, and if the farmers of Western Canada demand much in excess of this price, they will only hasten the day when the European farmer can also profitably produce wheat at this high price, and will

do so, for the European farm is becoming as mechanized as the Canadian farm. As most of the honourable senators know, the Massey Harris Company has a plant in England and also in France, and so have other manufacturers of farm equipment.

At the Wheat Conference in Washington a few weeks ago France indicated that she would have about thirty million bushels of surplus wheat to sell. This is but one of the European nations that will have wheat to sell in competition with Canada if we keep our prices too high. It has been stated that Argentina was selling wheat about a year ago at $3.50 a bushel, but the farmers were receiving much less than the farmers of Canada. What happened in Argentina? I understand that they have a real depression on their hands there. Before the war Argentina shared with Canada the British market for wheat. No one today hears Argentina mentioned in connection with sales of wheat to Britain. Britain has not forgotten that our country supplied her with food at reasonable prices and at the same time left our own farmers with reasonable profits. I am sure that Western Canada should and will be able to raise wheat at a profit in competition with any country in the world. With mechanized farming and an abundant supply of oil, what country is so blessed?

It is no new thought to honourable senators that Canadians are a blessed and fortunate people. There are many among us who have raised families in Canada. I think now of the lovable senator from Clare (Hon. Mr. Comeau), whose only sad moment seems to be when he speaks of the two little children taken from their circle in babyhood. He will forgive the personal reference, I am sure, for he is a fine example of a man who realizes and counts his blessings, as we all should do. When, every day in this chamber we pray, "Give us this day our daily bread," we pray not only for ourselves but for all mankind. We could give this prayer a real and practical meaning. Let us be charitable to other people less fortunate than ourselves; such a course will in time, I am sure, pay handsome dividends, not in big profits, perhaps, but in security for all.

Hon. Mr. McIntyre moved the adjournment of the debate.

The motion was agreed to.

The Senate adjourned until Tuesday, March 15, at 3 p.m.

THE SENATE

Tuesday, March 15, 1949

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

Prayers and routine proceedings.

CANADA'S DIPLOMATIC RELATIONS

DOCUMENTS TABLED

Hon. Wishart McL. Robertson: Honourable senators, I beg to lay on the table certain diplomatic instruments already tabled in the other house. They include:

Supplementary financial agreement with France;

Exchange of notes with Switzerland;

Exchange of notes with France constituting an agreement concerning the application of the French National Solidarity Tax to Canadian nationals corporations;

and other documents.

I should like the complete list to be printed in our records.

(*For list of documents tabled, see the Minutes of the Proceedings of the Senate.*)

PRIVATE BILL

FIRST READING

Hon. Mr. Aseltine presented Bill Q-2, an Act to incorporate the Sisters of Saint Elizabeth Hospital.

The bill was read the first time.

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

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

NORTH ATLANTIC PACT

On the Orders of the Day:

Hon. Mr. Robertson: Honourable senators, when I adjourned the house until this afternoon, I did so with the intention of tabling, concurrently with its tabling in the other place, a copy of the North Atlantic Pact with the resolution appended thereto. As honourable senators have perhaps noticed in the press, the tabling in the other place has been postponed until Friday afternoon at three o'clock. Therefore I will ask the house to sit on Friday afternoon of this week. In view of the amount of legislation which is likely to come to us between now and the end of next week, when the Senate adjourns at the end of this week I shall move that it re-assemble on Monday afternoon at three o'clock. I make this announcement so that honourable senators may make their plans accordingly.

DOMINION CURLING CHAMPIONSHIP

Hon. John T. Haig: Honourable senators, before the Orders of the Day are proceeded with, I want to say a few words as a matter of personal privilege. First, I want to apologize to the house for not being present last week. Second, I want to call the attention of the honourable senators from every part of Canada to the fact that there is a little province called Manitoba—

Some Hon. Senators: Hear, hear.

Hon. Mr. Haig: —and tell those senators that the greatest curling centre in the world is in that province.

Hon. Mr. Aseltine: Except for Rosetown.

Hon. Mr. Haig: I include Rosetown in the world.

Some Hon. Senators: Oh, oh.

Hon. Mr. Haig: In Hamilton last week the Manitoba curlers again demonstrated that they are still champions, by winning the Dominion Curling Championship from teams representing every province of Canada. Honourable senators, I was never so proud to be a Canadian as I was when watching rinks from every province of Canada taking part in that bonspiel. I am sure that if other honourable senators had been there they would have been just as proud as I was. It is expected that teams from all ten provinces will be represented at the competition to be held in Vancouver next year.

Some Hon. Senators: Hear, hear.

EXCHEQUER COURT BILL

SECOND READING

Hon. Mr. Robertson moved the second reading of Bill N-2, an Act to amend the Exchequer Court Act.

He said: Honourable senators, I have asked the honourable senator from Inkerman (Hon. Mr. Hugessen) to explain this bill.

Hon. A. K. Hugessen: Honourable senators, this bill amends the Exchequer Court Act in three particulars, all of which should meet with the approval of honourable senators. The first amendment is to Section 18, which has to do with the jurisdiction of the Exchequer Court. The present wording of this section is rather peculiar. It reads as follows:

> The Exchequer Court shall have exclusive original jurisdiction in all cases in which demand is made or relief sought in respect of any matter which might, in England, be subject of a suit or action against the Crown, and for greater certainty, but not so as to restrict the generality of the foregoing terms, it shall have exclusive original jurisdiction in all cases in which the land, goods or money of the

subject are in the possession of the Crown, or in which the claim arises out of a contract entered into by or on behalf of the Crown.

Honourable senators will observe that as the section now reads it makes the jurisdiction of our Exchequer Court subject, in some respects, to what may be decided by the British Parliament. It provides that the Exchequer Court shall have jurisdiction in respect of any matters which in England might be the subject of action against the Crown.

I do not think that in our present position this provision should remain on our statutes. There is one particular reason why I do not think so. I understand that in Great Britain last year the British Parliament passed an Act called the United Kingdom Crown Proceedings Act which, in effect, altered the remedies which the subject might have against the Crown; so as Section 18 of the Exchequer Court Act now stands, the jurisdiction of our Exchequer Court may have been altered by the British Parliament without any action by this parliament at all.

Honourable senators will see that the amendment now proposed to section 18 simply leaves out the reference to jurisdiction in England and recites that:

The Exchequer Court shall have exclusive original jurisdiction in all cases in which the land, goods or money of the subject are in the possession of the Crown, or in which the claim arises out of a contract entered into by or on behalf of the Crown.

The second amendment, or rather series of amendments, is proposed to be effected by section 2 of the bill. Section 2 does three things which I think should meet with the approval of the Senate. Firstly, it extends from thirty to sixty days the delay within which an appeal may be lodged from a decision of the Exchequer Court, thereby bringing the period into line with the ordinary period which is allowed on appeals from provincial courts to the Supreme Court. Secondly, it introduces a provision for an appeal from an interlocutory judgment of the Exchequer Court, if a judge of the Supreme Court permits an appeal from such interlocutory judgment. Then, in the third place, it changes, simplifies and makes clearer the procedure which is required to be followed by an appellant upon an appeal from the Exchequer Court. It provides that in any ordinary appeal the appellant shall give notice of his appeal to the other parties, that he shall lodge his appeal with the registrar of the Supreme Court, and that he shall file a copy of the appeal with the registrar of the Exchequer Court. Under section 82 of the Act there has been a rather unusual practice, which required the appellant to give notice to the registrar of the Supreme Court, and then required the registrar to set the case down for hearing before notice had been given to the other side. That is an illogical and unusual way of proceeding, and it is remedied by the changes proposed in section 82 of the Act by section 2 of the bill now before us.

Section 3 of the bill is merely a consequential amendment resulting from the change in section 82.

Section 4 of the bill is designed to make it quite clear that in making rules for the practice and procedure of the Exchequer Court the judges of that court may include rules providing for the examination for discovery of officers of the Crown in cases to which the Crown is a party; and that they may also, as is the modern practice in our provincial courts, make rules providing for the medical examination of parties in respect of whose injuries a claim has been made.

These are the changes that this bill proposes to make to the Exchequer Court Act.

Right Hon. Mr. Mackenzie: May I ask my honourable friend one simple question for information? What arrears of work are now before the Exchequer Court in cases awaiting decision, and for how long have these cases been awaiting decision?

Hon. Mr. Hugessen: That is a question which I am unable to answer in the terms in which it is asked; but I take it that this bill will go to one of our standing committees, where officers of the Department of Justice will be present and no doubt will be able to furnish the information required by my right honourable friend. I can give only a partial explanation, namely, that in 1946 this parliament, by legislation increased the number of Exchequer Court judges from three to four, and it is therefore to be hoped that any arrears that existed at that time are being met and caught up with at the present time.

Hon. Mr. Leger: May I ask the honourable gentleman a question for my own information? Is is not true that judgment upon a demurrer is abolished under the Judicature Act? I see that we have that kind of judgment referred to in this bill.

Hon. Mr. Hugessen: Does my friend refer to the English Act?

Hon. Mr. Leger: To the provisions in all the provinces. Paragraph (a) of subsection 1 of section 82 of the Act, as set out in section 2 of the bill, provides for appeal to the Supreme Court of Canada from a judgment upon a demurrer.

Hon. Mr. Hugessen: I am unable to answer my honourable friend. There may be some

language in this bill which requires correction. If my honourable friend will put his question to the officers of the Department of Justice when the bill is considered in committee, I am quite sure he will get a satisfactory answer.

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

REFERRED TO COMMITTEE

Hon. Mr. Robertson moved that the bill be referred to the standing committee on Banking and Commerce.

The motion was agreed to.

NATIONAL TRADE MARK BILL

CONCURRENCE IN COMMITTEE AMENDMENTS

The Senate proceeded to consideration of the amendments made by the Standing Committee on Banking and Commerce to Bill C, an Act respecting the Application of a National Trade Mark to commodities and respecting the true description of commodities.

Hon. J. E. Sinclair: Honourable senators, I move concurrence in the amendments.

The motion was agreed to.

THIRD READING

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

Hon. Mr. Robertson: With leave of the Senate, I move the third reading of the bill.

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

PRIVATE BILL

SECOND READING

Hon. John T. Haig moved the second reading of Bill M-2, an Act to incorporate the North West Commercial Travellers' Association of Canada.

He said: Honourable senators, under this bill the commercial travellers of Manitoba are asking a Dominion charter for what is now and has been for many years a local fraternal organization. Each member pays so much into the organization, and upon his death the funeral expenses are taken care of and a sum of money is paid to his widow. The members now wish to come under the federal insurance law. When the bill has been given second reading, I intend to move that it be referred to committee, where members of the organization will be present to make the necessary explanations.

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

REFERRED TO COMMITTEE

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

The motion was agreed to.

SPEECH FROM THE THRONE

ADDRESS IN REPLY

The Senate resumed from Thursday, March 10, consideration of His Excellency the Governor General's Speech at the opening of the session, and the motion of Hon. Mr. Farquhar for an Address in reply thereto.

Hon. J. P. McIntyre: Honourable senators, allow me first to congratulate the mover and the seconder of the Address in reply to the Speech from the Throne. I also wish to associate myself with the leader of the government in this chamber (Hon. Mr. Robertson), the leader of the opposition (Hon. Mr. Haig) and all other senators who have so cordially welcomed the new members who now grace this chamber.

The Speech from the Throne forecasts legislation which is to come before both Houses of Parliament of Canada, and provides a wide range of discussion of which honourable members and senators can take full advantage. I hope you will bear with me if I do not follow the usual custom in this debate. I have always listened with great attention to the speeches which are delivered in this chamber, and which are of a high order. I have also read some of the speeches delivered in the other place, and I have come to the conclusion that at times some honourable members there fall short of debating material, because they see fit periodically to criticize the activities of this chamber. I refer now to supporters of the Co-operative Commonwealth Federation, who in this respect, I suggest, are great offenders. Probably it would be more appropriate that those honourable members should try to check up on some of their own shortcomings before they undertake to criticize the Senate of Canada. Their proclaimed policy of nationalizing industry if ever they should gain power in this country has not, I think, worked very well in the province of Saskatchewan.

On this topic I have a clipping from the *Financial Post* which, with the permission of this chamber, I should like to have recorded in *Hansard*.

Four years ago the C.C.F. Government of Saskatchewan started taking over private industry. In the face of repeated warnings from those of experience, substantial sums of taxpayers' money was used to acquire or start six purely commercial undertakings. These were a couple of fish processing plants, a shoe factory, a brick plant, and a box factory.

Today half of these ventures, the first three, are closed down and Premier Douglas himself admits that there is grave doubt about the Government

ever reopening them. He also admits that the other three have yet to prove themselves successful. And this admission comes during a period when the whole country was never more prosperous, when purchasing power was never stronger. How long such uneconomic ventures would have lasted in normal times, it would not be hard to guess.

In the meantime, scores of workers have lost their jobs in the middle of winter and in a province where industrial jobs have always been scarce. Lost too, have been large sums of public money which, if not used for legitimate government expenditures on such things as schools and roads, might better have been left with the taxpayers for private investment.

The Senate of Canada was instituted and set up by the Fathers of Confederation for the purpose of preventing legislation which would not be in the interest of the country; it was intended to provide a second thought or, if you will, its role was to be that of a safety valve which would operate against legislation that is not in the best interests of the people.

Honourable senators remember the Naval bill of 1912, whereby it was proposed to hand over $35,000,000 to the British Government for naval purposes. The bill was opposed by the opposition, headed by Sir Wilfrid Laurier. The debate in the other place went on day and night, week in and week out, for months. The opposition divided itself into four groups, which were led respectively by Dr. William Pugsley, Frank Carvell, Frank Oliver and E. M. McDonald, of Pictou county, Nova Scotia. They stood guard at eight-hour intervals. Sir Wilfrid, speaking on the bill, asked if anybody imagined that there would be only one contribution? "Contribution after contribution will be recurring", he said "and will leave no trace behind it". Speaking further on the bill he said that a contribution of $35 million for naval purposes would settle nothing; that any Canadian aid to the Imperial naval services which did not imply a permanent policy would not be satisfactory. He said that ships should be owned, manned and maintained by Canada, and built in Canada as soon as was practicable. After thirty-seven years it has been proven that Sir Wilfrid Laurier was right.

During that long debate, which lasted for days and nights and weeks, and even for months, the government of the day saw fit to introduce the closure. Sir Robert Borden, then Prime Minister of Canada, introduced a resolution for this purpose, and having concluded his address, moved that it be adopted. Sir Wilfrid Laurier and Mr. Hazen, of Saint John, who at the time, I believe, was Minister of Marine and Fisheries, rose simultaneously. Sir Wilfrid Laurier's intention was to speak to the resolution or to move an amendment, and he caught the eye of the Speaker first. The Speaker in turn announced that Sir Wilfrid had the floor. An honourable member from East Hastings, by the name of Northrup, rose and moved that Mr. Hazen, Minister of Marine and Fisheries, from the county and city of Saint John, be now heard. The Speaker put the motion, the division bell rang, and the motion was carried by thirty-eight votes. Mr. Hazen immediately rose and moved for the adoption of the resolution which was moved by Sir Robert Borden, thus preventing Sir Wilfrid from speaking to the resolution or moving an amendment. We all can imagine Sir Wilfrid's state of mind in view of the humiliating position in which he was placed. Far be it from me to enter into politics in this debate, but I quote the words of Sir Wilfrid Laurier, uttered at that time.

Thus even-handed justice commends the ingredients of our poisoned chalice to our own lips. The poison that he forced on us today will come to his own lips at some future day. We are in the minority. We can be gagged, we can be prevented from expressing our opinion, they can trample upon our rights; but, sir, the day of reckoning will come, and it will come as soon as we have a dissolution of the present parliament.

Honourable senators, the Naval Bill of 1912 was passed in the other place, but when it came to this chamber it was defeated, saving the country $35 million at that time and perhaps many more millions since, because if that bill had been passed that year we might have had other naval bills for many years afterwards. This proved that the Senate was a safety valve in the matter of such legislation; and the action it took at that time would more than pay the expenses of the Senate for many years to come.

Another eminent gentleman to speak on minority rights was Charles Evans Hughes. He spoke before the one hundred and fiftieth anniversary of the commencement of the first session of Congress in the United States. He had this to say:

We not only praise individual liberty, but our constitutional system has the unique distinction of ensuring it. Our guarantees of fair trials, of due process in the protection of life, liberty, and property—which stand between the citizen and arbitrary power—of religious freedom, of free speech, free press and free assembly, are the safeguards which have been erected against the abuses threatened by gusts of passion and prejudice which in misguided zeal would destroy the basic interests of democracy. We protect the fundamental rights of minorities in order to save democratic government from destroying itself by the excesses of its own power. The firmest ground for confidence in the future is that more than ever we realize that while democracy must have its organization and controls its vital breath is individual liberty.

The leader of the opposition (Hon. Mr. Haig), for whom I have the greatest respect, a man who has risen to the highest position in his chosen profession, made some sweeping statements in this chamber two or three weeks ago. He said that the prairie farmers

lost $500 million because of the Canadian government's wheat contract with the British government.

Hon. Mr. Aseltine: That is right.

Hon. Mr. McIntyre: I should just like to ask the honourable gentleman how he arrived at that figure. I tried to figure it out, and I must confess that I could not arrive at it at all. Perhaps before I am through I can prove to my honourable friend that the farmers of the West did not lose a single dollar. It is true that the Canadian government made a contract with the British government for something like 160 million bushels a year for a two-year period—a total of 320 million bushels—at $1.55 a bushel. If I am wrong I wish to be corrected. My honourable friend claimed that the western wheat growers lost $500 million through that contract. Does he know that in 1945 the Canadian wheat growers got 7 cents per bushel more for their wheat than did the American growers? And does he know that in the past three years the American growers received only 35 cents a bushel more than the Canadian growers? Somebody else got the high price he speaks about; the growers did not get it; probably the speculators got it.

In normal times in the United States wheat generally sells at 17 cents a bushel more than it does on the Canadian market. Therefore, if any loss was suffered in the last two years it would only amount to 18 cents a bushel. Multiply 18 by 320,000,000 and see how far short the figure is of $500 million.

Hon. Mr. Aseltine: May I ask the honourable senator a question? What about all the wheat that was delivered to the millers of Canada for 78 cents a bushel, for which the farmers got $1.25? How much of a loss was suffered there?

Hon. Mr. McIntyre: I have already explained that in the last three years the American growers only got 35 cents a bushel more than the Canadian growers. The speculators got the rest of it.

Does my honourable friend know that the United States grew 965 million bushels of winter wheat and 1·2 billion of spring wheat in each of the last three years? Does he know that there is a wheat surplus in the United States at the present time? Does he also know that the Argentine cannot now sell her wheat to countries to which she sold wheat for as much as $3 and $3.50 during the war? They will not buy from the Argentine today. If any honourable senator went into a tailor shop and wanted a suit of clothes in a hurry, if the suit was only worth $75 but the tailor charged $150, that honourable senator would never go back to that tailor again. So it is with the wheat consuming countries. They had to have the wheat during wartime, and they had to pay the Argentine the exorbitant price that was asked for it. Does my honourable friend know that the price of wheat on the Chicago market has dropped to $2.06 a bushel?

Hon. Mr. Wood: It may be lower than that.

Hon. Mr. McIntyre: Yes, it may be lower. The last report I read showed that it had dropped to $2.06 a bushel.

Honourable senators, in view of the reported wheat surplus in the United States, the fact that the Argentine is not selling her wheat to the countries she sold to during the war, and the fact that wheat is selling for $2.06 a bushel on the Chicago market and may drop lower than that, say, to $1 a bushel as it did in the past, it may be that the long-term contract which the Canadian government made with the British government at $2 a bushel for 140,000,000 bushels for each of the next two years will yet bring a profit to Canada of $50 million or $100 million instead of a loss of $500 million as stated by the leader of the opposition.

Honourable senators, I should also like to call the attention of this house to the question of income tax, a subject which has caused much dissatisfaction throughout the land. I am not blaming any provincial officials because they have to take their direction from the income tax department in Ottawa. But our farmers, especially in my own province, with which I am well acquainted, have been advised to make returns for 1942, 1943, 1944 and 1945. Yet no income tax forms were sent to them prior to 1946. I remember taking this point up with Mr. Elliott at a Senate committee hearing when he was Deputy Minister of National Revenue for taxation. I asked him how it was that, if a corporation or an individual paid more than he had to pay, and the government held that money for four, five or six years, that individual or corporation received no interest on it. I asked him why, on the other hand, if the income tax was not paid in full, the department exacted a 5 per cent interest charge and, after the income was assessed, if the tax was not paid at a certain time, the interest was raised from 5 per cent to 8 per cent. The answer he made was that "The King can do no wrong." Well, if the King cannot do any wrong, those who are working under the King can do wrong; and the King is subject to his own laws. I claim honourable senators, that no attempt should be made to collect the income tax from farmers on income earned prior to 1946.

Hon. Mr. Aseltine: The farmers of Saskatchewan have been paying income tax ever since 1917. A lot of them filed returns immediately after the law came into force, and they have been paying ever since.

Hon. Mr. McIntyre: The farmers of Saskatchewan may be more enlightened than those in other provinces. I do not think that farmers in other provinces were aware that they were required to do this.

Hon. Mr. Aseltine: They should have been aware. Ignorance of the law is no excuse.

Hon. Mr. McIntyre: I know that, but the farmers did not keep account of their revenues and expenditures, and therefore were not in a position to make their returns. I suppose many of them did not know they had to make returns at all. My honourable friend himself has of course filed his returns, but if he looked around his province he would probably find many farmers who have not done so.

Hon. Mr. Haig: Will the honourable gentleman answer me a question?

Hon. Mr. McIntyre: If I can.

Hon. Mr. Haig: What proportion does the number of inspectors in Saskatchewan, Manitoba and Ontario bear to the number of farmers in each of those provinces?

Hon. Mr. McIntyre: I never looked it up.

Hon. Mr. Haig: I suggest to you that there are more inspectors in Saskatchewan than there are in Ontario.

Hon. Mr. McIntyre: If that is so it indicates, not that the farmers in Saskatchewan are crooks, but that probably more inspectors are needed to make them obey the law.

Hon. Mr. Haig: No, but the government is after them to make them pay.

Hon. Mr. McIntyre: In Prince Edward Island we have only one inspector.

Hon. Mr. Aseltine: There should be a good many more.

Hon. Mr. McIntyre: When officials ask a farmer how much he made in 1942, 1943, 1944 or 1945, he does not know, because he kept no records. If farmers do make returns for those years they have to guess, and I claim that they should not have to pay any income tax in those circumstances. If any returns were made for any year prior to 1946, and any taxes were paid on those returns, the moneys should be refunded.

Moreover, honourable senators, I say that if the department is not able to assess returns in the year in which they are made, the returns should stand. There should be no going back into the records of an individual or corporation for five or six years.

One other matter that I would like to bring to the attention of the leader of the government is the financial position of civil servants who retired not later than ten years ago. In those days salaries were generally much lower than they are at present, and the civil servants who retired then were given a considerably smaller allowance than is being paid to those in their respective classes who retire today. In many cases the pension paid to people who retired ten years ago is not sufficient to buy the necessities of life at present high costs. The leader of the government in this chamber is also a member of the cabinet, and I would suggest that he bring this matter to the attention of his colleagues and recommend that a bonus be paid to civil servants who retired not later than ten years ago, and that this bonus be continued until such time as the cost of living comes down to normal. Railwaymen who retired on small superannuation ten years ago and before are in the same situation. The wages of those days were low as compared with today's standard, and many of those people are finding it hard to make ends meet. They too should be paid a bonus until the cost of living comes down to normal.

I would like to commend the Department of Fisheries, the Deputy Minister of Fisheries and Mr. McNaught, the Parliamentary Assistant to the Minister, for co-operating with Prince Edward Island members of the House of Commons and senators in rearranging the time within which lobster fishermen may run their lines out in the gulf. For many years prior to last year the law and the practice were that lobster fishermen could not leave the shore until six o'clock in the morning; but last year, through some misunderstanding or some action by somebody who did not know anything about the matter, this hour was changed to 12 o'clock midnight. At that time of night landmarks around the shore are not visible, and furthermore the small boats used by some fishermen cannot easily be seen and would be in danger of being run down by speed boats. Now the hour has been shifted back to 6 o'clock in the morning. That is satisfactory to all concerned, and I am glad that it has been done.

Honourable senators, I do not think that any political feeling should be displayed in this chamber, nor should any prejudices be exhibited by anyone here. In our hands lies the destiny of this vast Dominion, and great would be the pity if anything should intervene to prevent us from carrying on the traditions and activities of the Senate in accordance with the noble objective which the Fathers of Confederation had in mind.

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

The motion was agreed to.

THE BUDGET

NOTICE OF PRESENTATION

On the motion to adjourn:

Hon. Mr. Robertson: Honourable senators, for the information of the house I wish to state that the Minister of Finance has announced that the budget will be brought down a week from today at 7.30 o'clock in the evening.

INDIAN AFFAIRS LEGISLATION

INQUIRY

Hon. Mr. Robertson: Honourable senators, some time ago my honourable friend the leader of the opposition (Hon. Mr. Haig) asked me a question which I neglected to answer last week, although I had the information then. The exact question is not before me at the moment, but as I recall it my friend inquired when the government would be introducing legislation with respect to the Indian Act.

Hon. Mr. Haig: Yes.

Hon. Mr. Robertson: The information I have is along the lines of an answer made by the Honourable the Minister of Mines and Resources, that a draft bill as recommended by the Joint Committee on the Indian Act is now before the Department of Justice and will in due course be considered by the government. He did not intimate when it would be brought down. That is all I can say to my honourable friend at the moment.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, March 16, 1949

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

Prayers and routine proceedings.

STATUTE LAW AMENDMENT (NEWFOUNDLAND) BILL

REPORT OF COMMITTEE

Hon. Mr. Beauregard presented the report of the Standing Committee on Banking and Commerce on Bill 12, an Act to amend the Statute Law.

He said: Honourable senators, the committee have, in obedience to the order of reference of March 8, 1949, examined the said bill, and now beg leave to report the same without any amendment.

THIRD READING

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

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

Right Hon. Mr. Mackenzie: Honourable senators, I was called out at the last moment from this morning's meeting of the Banking and Commerce Committee, which considered the Bankruptcy Act at considerable length.

I wonder if I might ask the chairman of the committee about the title of the bill now before us. I do this for purposes of information and not at all by way of criticism. I do not wish to enter into any argument at all, but it would appear to me, honourable senators, that a particular bill, dealing largely with the provisions of a particular agreement, should not be entitled "An Act to amend the Statute Law of Canada", because the statute law of Canada consists of more than a thousand statutes. I suppose the law officers could inform us why this appellation was given to the measure. It seems to me a most peculiar procedure to amend the entire statute law of Canada by a measure dealing with a particular agreement, the agreement between Canada and Newfoundland. There may be a very good reason for this, and my good friend the chairman of the committee (Hon. Mr. Beauregard), who is a lawyer, probably will be able to explain it.

Hon. Mr. Beauregard: The only answer I can give is to be found in section 1 of the bill itself, which reads:

This Act may be cited as the Statute Law Amendment (Newfoundland) Act.

Right Hon. Mr. Mackenzie: The short title is what?

Hon. Mr. Beauregard: That is what I have just been reading.

Right Hon. Mr. Mackenzie: The right title of the bill, as I understand it, is "An Act to amend the Statute Law of Canada".

Hon. Mr. Beauregard: Section 1 of the bill says:

This Act may be cited as the Statute Law Amendment (Newfoundland) Act.

Right Hon. Mr. Mackenzie: That is all right.

The Hon. the Speaker: Honourable senators, is it your pleasure to adopt the motion for third reading of this bill?

Some Hon. Senators: Carried.

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

Right Hon. Mr. Mackenzie: On a question of privilege, I must object to saying that we are passing an Act to amend the Statute Law. I say it is not an Act to amend the Statute Law, but it is an Act to amend the Statute Law in certain particulars, with reference to the Newfoundland agreement. It should not be cited, as it has been by the Assistant Clerk, as an Act to amend the Statute Law of Canada. I wish to register my objection to that appellation.

The Hon. the Speaker: I did not understand that my right honourable friend wished to delay passage of the bill. The bill has been given third reading. Is it your pleasure, honourable senators to pass the bill?

The bill was passed.

PRIVATE BILL

REPORT OF COMMITTEE

Hon. Mr. Beauregard presented the report of the Standing Committee on Banking and Commerce on Bill L-2, an Act respecting the Pension Fund Society of the Bank of Montreal.

He said: Honourable senators, the committee have, in obedience to the order of reference of March 10, 1949, examined the said bill, and now beg leave to report the same without any amendment.

THIRD READING

Hon. Mr. Hugessen moved the third reading of the bill.

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

SUPREME COURT BUILDING

INQUIRY

Hon. Mr. Farris inquired of the government:

1. What was the cost of the Supreme Court Building?

2. What are the facilities in the library;
(a) for rooms for lawyers, giving privacy and quiet when reading their reports?
(b) rooms for the librarians and their staffs?
(c) for bringing books to the Supreme Court room and other court rooms?
(d) for replacing the books of the library at the disposal of judges and lawyers requiring their use?
3. What is the cost of the lighting system in the Supreme Court room and in other court rooms?
4. What provision is being made or intended to be made to provide a modern lighting system for use in court rooms and judges' rooms?
5. How many clocks are in the ante-rooms of the Supreme Court room?
6. How many clocks in the Supreme Court room? Where located?
7. How many toilets in the building:
(a) for men?
(b) for women?
8. How many showers in the building, and the cost of each?
9. What provision has been made for lockers for barristers and where located:
(a) how many in oak?
(b) how many in soft wood, out of keeping with the architecture of the building?
10. How long is it intended to use rough planking in the main hallway across the marble steps?
11. How much in commissions or fees have been paid the architect?
12. What are the approximate dimensions and cost of the entrance chamber?

Hon. Mr. Robertson: The answer is as follows:

1. $2,870,244.34.

2. (a) Four carrels have been provided for lawyers in the original plans for bookstacks, rooms Nos. 90, 91, 92, 93, and, adjoining the original attorneys' locker room and lounge, four private rooms, under lock and key, were provided for the use of lawyers: rooms Nos. 35, 36, 37 and 38. However, with the idea of segregating the attorneys of the Supreme Court from those of the Exchequer Court, the present Registrar has decided to abandon these four rooms and replace them by rooms Nos. 157 and 153 with a new lounge in room No. 171 and new locker room in No. 155.

(b) Librarians' offices are rooms Nos. 87 and 88, now occupied by temporary shelving. The attendants are to have desks in the reading room.

(c) The former Chief Justice Sir Lyman Duff was of the opinion that no trucks were to enter the court room. Books were to be brought in a book truck, using freight elevator No. D to a vestibule, No. 44, next to the Court and, for a distance of thirty feet, carried by hand to the attorney's tables. The present registrar has decided that, for the greater convenience of the messengers, the truck should be brought in the Court, entering by the main entrance of the Court. As a result, it is necesary to make an additional travel of 350 feet bridging over steps, opening four doors and risking damage to the furniture and carpets. It is doubtful that this means less exertion for the messengers, and certainly does not enhance the dignity of the Court.

(d) When the program is completed, the four carrels adjacent to the bookstacks as mentioned in (a) will be at the disposal of the lawyers. The judges will have their recess room, No. 195, and conference room, No. 295, with direct access to the bookstacks.

Note: The present installation of the library is only temporary, the shelving of the bookstacks is not yet installed with the consequence that the reading room and adjoining space are crowded with temporary shelving.

3. This cannot be answered at present, as the lighting system is not completed as yet. It is unfair to judge the lighting of the court in the state in which it was left when all work was stopped at the beginning of the war. The work is progressing as fast as industry can supply the material.

4. In Supreme Court room No. 139, the original lighting system is completed since February 1. Six movable desk lamps have still to be delivered. In the two Exchequer Court rooms, Nos. 8 and 9, the installation is in progress. For the judges' rooms, a sample fixture has been set up in room 277, since February 1. It gives an illumination level of 40 foot-candles at desk height. However, the approval of the judges has not yet been received.

5. One in room No. 137 and one in room No. 138. It must be pointed out that these are located at a distance of 15 feet from the clock of the court room and consequently did not entail the expense of a special circuit and wiring.

6. One clock is located above the entrance in full view of the five judges and the other officers of the court. For the convenience of the attorneys it is intended to have a small clock on their lectern.

7. (a) For men: Each judge has his private toilet. There are also two toilets off the common robing room No. 188, one toilet for anteroom No. 137, four toilets in rooms Nos. 30 and 31, adjacent to attorneys' lounge, three toilets in room No. 23 adjacent to men's cloakroom of the main floor, three toilets in room No. 123 adjacent to men's cloakroom of the first floor, two toilets for messengers in room No. 223, two toilets in room No. 125 adjacent to new attorneys' locker room No. 155 formerly room for the Press, one toilet each in rooms Nos. 035, 036, 025, 026, 019 and 022 for maintenance staff and superintendent, and two toilets in rooms Nos. 323 and 353 for men employees working on the third floor.

(b) For women: One toilet for anteroom No. 136, three toilets adjacent to women's cloakroom No. 20 main floor, three toilets adjacent to women's cloakroom No. 120 first floor, two toilets in room No. 223 adjacent to secretaries' locker room, and two toilets in room No. 322 for women employees working on the third floor.

8. One shower in each of the judges' toilets or thirteen showers at $210 each. (This was demanded by the former Chief Justice. This arrangement exists at the Supreme Court of Washington and in some other court houses in the United States. The present group of judges may not have the same requirement.)

9 (a) Twenty in room No. 34 and eighteen in new location in room No. 155.

(b) None.

10. As long as, against the architect's protest, the distribution of books to the court is made by the extra long circuit of 350 feet instead of the 30 feet originally intended and that on the doubtful pretext of saving exertion for the messengers.

11. Five per cent of $2,870,244.34, or $143,512.22, fees as architect and engineer of the building.

12. It is supposed that this refers to the main hall of the building. The dimensions are:

Length	109 feet.
Width	53 feet.
Area	5,777 sq. ft.
Volume	231,080 cubic feet.

The cost is $120,161.60.

GOVERNMENT WHEAT POLICY

CORRECTION OF PRESS REPORT

Hon. J. P. McIntyre: Honourable senators, I wish to correct a report in this morning's press, in which these words appear:

> Defending government wheat policy, Senator McIntyre said George Drew, Progressive Conservative Leader, had made "sweeping statements" that prairie farmers would lose $500,000,000 because of the prices in the British food contracts.

I did not say any such thing. I said the statements had been made by the honourable leader of the opposition in this house (Hon. Mr. Haig).

Some Hon. Senators: Oh, oh.

STATUTE LAW AMENDMENT (NEWFOUNDLAND) BILL

TITLE

On the Orders of the Day.

Hon. Mr. Roebuck: Honourable senators, I observe in this bill, as passed by this house, the following clause: "This Act may be cited as the Statute Law Amendment (Newfoundland) Act". In our records the bill is cited as "an Act to amend the Statute Law". It should be cited as "the Statute Law Amendment (Newfoundland) Act".

Right Hon. Mr. Mackenzie: That is quite right.

LIVE STOCK PEDIGREE BILL, 1949

SECOND READING POSTPONED

On the Order:

> Second reading of Bill P-2, an Act respecting the Incorporation of Pure-bred Live Stock Record Associations.

Hon. Mr. Robertson: Honourable senators, I had arranged with an honourable senator who is familiar with this measure to explain it. Unfortunately he will not be in the chamber before Monday next. I therefore ask the indulgence of the house to allow the order to stand until that date.

The order stands.

PRIVATE BILL

SECOND READING

Hon. W. M. Aseltine moved the second reading of Bill Q-2, an Act to incorporate the Sisters of Saint Elizabeth Hospital.

He said: Honourable senators, this bill is in the form usual for measures of this kind; in fact, it has been drawn on the lines of several other bills of the same nature. The object of incorporation is to enable this order to build hospitals in other parts of Canada than the province of Saskatchewan.

At the present time the Sisters of St. Elizabeth have hospitals at Humboldt, Cudworth and Macklin, all in the province of Saskatchewan. I could inform you of the bed capacity, the number of sisters, nurses and novices employed, and so on, but perhaps it would be better to do this when the bill goes before a committee. If there are any questions which honourable senators wish to ask now, I can answer them.

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

REFERRED TO COMMITTEE

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

The motion was agreed to.

SPEECH FROM THE THRONE

ADDRESS IN REPLY

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

Hon. John C. Davis: Honourable senators, it is with mingled emotions that I rise in my place for the first time in this honourable body, to speak to the motion for an Address in reply to the Speech from the Throne. Initially I want to compliment the mover and seconder of this Address upon the distinguished manner in which they acquitted themselves, particularly my friend the honourable senator from Clare (Hon. Mr. Comeau), who described his ancestral attachment to the soil of his native province.

Representing as I do a central province of the Dominion of Canada, the province of Manitoba, one matter which comes to my mind is the concern caused by the proposed transfer of the administrative office of Trans-Canada Air Lines from an isolated position in the city of Winnipeg to a site in the congested area of the city of Montreal, where the executive and administrative officials will be housed in the new Aviation Building which is in close proximity to the Central Station of the Canadian National Railways. This concentration of personnel is both unfair and unnecessary.

I want to read into the records of this body, and to associate myself with a statement, made by the Winnipeg Chamber of Commerce on February 22 last:

Whereas it has been announced that it is proposed to remove the operating headquarters of Trans-Canada Air Lines from Greater Winnipeg to Montreal—such operating headquarters now being located at the St. James-Winnipeg Airport;

And whereas the contemplated removal which involves 155 employees and their families, including the president, general manager, some 40 senior executives of several departments, plus 115 other employees, would be a serious blow to Greater Winnipeg and Manitoba, and work a hardship on the personnel involved;

And whereas representations made to directors of Trans-Canada Air Lines and others have not elicited any substantial reasons to justify such removal;

And whereas the contemplated transfer would further accentuate the concentration of industry, population and payrolls in the East to the detriment of the West, and the further dislocation of the nation's economy, the acceleration of this policy during the war having resulted in the permanent loss to the Prairie Provinces of many thousands of young people, mostly skilled workers, and directly contributed to the "population ratio" which has entailed a reduction in the parliamentary representation of the said provinces;

And whereas the essential requirements of war needs and the present needs of national defence have proven the worth of air development in Western Canada to our whole national welfare;

And whereas no factual information has yet been advanced that the proposed administrative change would effect any worthwhile operating economy. But on the contrary:—

(a) While Trans-Canada Air Lines was established as a transcontinental system with headquarters in Montreal, its operating headquarters were subsequently transferred to Winnipeg, the centre of the continent, as the most suitable place for the efficient and economic operation of the system.

(b) Trans-Canada Air Lines now has ample space in Winnipeg to accommodate all officials and staff.

(c) The removal to Montreal would entail occupying office space there involving a greatly increased expenditure.

(d) The removal of employees from a lower to a higher expense area would result in greatly increased expenses in operation and additions to the already large operating deficit with no apparent compensating operating benefits.

(e) The operations of Trans-Canada Air Lines within Canada constitute a major portion of its business in that the domestic service during 1948 carried 537,000 passengers, 5,685,000 pounds of mail, and 3,722,000 pounds of cargo. The overseas flights accommodated only 31,500 passengers, 223,000 pounds of mail, and 667,000 pounds of cargo.

(f) A year-end press release by Trans-Canada Air Lines indicates the immediate revenue prospects are uncertain in the two new international air services instituted in 1948 to Bermuda and the British West Indies, respectively.

(g) While it might be a matter of convenience to officials of the Canadian National Railways and others to have all officials of Trans-Canada Air Lines in Montreal, this matter of convenience should not outweigh the matter of economic operation.

And whereas the removal in 1947 of the traffic department, comprising some 40 employees from Manitoba to Montreal is now cited as a reason for the transfer of other departments;

And whereas the proposed removal of the 155 executive officers and other employees of Trans-Canada Air Lines now contemplated from Manitoba to Montreal is likely to result in the removal of other departments and employees to Montreal, leaving Winnipeg as a maintenance centre only for part of the operations;

Therefore be it resolved, and it is hereby resolved that the Winnipeg Chamber of Commerce protest most emphatically against the proposal to remove the operating headquarters and officers and employees of Trans-Canada Air Lines from Manitoba to Montreal, and urgently request that the decision to make such a removal be reconsidered and the plan abandoned.

Winnipeg, Manitoba, February 22nd, 1949.

I heartily endorse this representation.

There would seem to be no justifiable reason why this additional concentration of administrative control should go into one of the two great taxworthy areas of the Dominion of Canada. It has been pointed out that the two provinces of Ontario and Quebec, on account of the accumulation of head offices in these two central districts, collect 90 per cent of the total corporation taxes of the Dominion of Canada, thus leaving to minor provinces the remaining 10 per cent with which to maintain their administrative, educational and other services.

But there is a more serious aspect to this situation than the mere economic one. I have in my hand a pamphlet, published in the United States in 1946 by the Government Printing Office in Washington, entitled "The United States Strategic Bombing Survey." It outlines the effect of the atomic bombing on the Japanese centres of Hiroshima and Nagasaki in August 1945. The first atomic bombing of Hiroshima occurred at 0815 on the morning of August 6. Nagasaki was bombed

three days later. It is interesting to note at this time, and to read into our records, the effect of this revolutionary blast. One plane exploded a bomb over Hiroshima, a city of 340,000 people and a population density of 35,000 per square mile. As a result 4·7 square miles of the municipality were completely destroyed, the killed and missing totalled between 70,000 and 80,000, and the injured a like number. The mortality per square mile was 15,000 and the casualty rate was 32,000 per square mile.

It is fair to point out that this was in the infancy of the development of this most destructive agency, and we are reliably informed that the potential destruction by this apparatus has been immeasurably increased since then. This dastard apparatus of war is so fantastic that the ordinary mind finds it inconceivable, and I would hardly find it comprehensible myself were it not that I have been reading a United States government report, which is supported by a similar document of the Government of Great Britain, published by His Majesty's Stationery Office in London in 1946.

Let us apply the pattern of Hiroshima to the concentrated district of the city of Montreal, to which it is proposed to move the executive and control offices of the Trans-Canada Air Lines. An atomic bomb with no more potency than the Hiroshima apparatus would wipe out the head offices of the Canadian Pacific Railway, the directional offices of the Canadian National Railways and of the Trans-Canada Airlines, the Sun Life Insurance Company, McGill University, the Royal Bank of Canada, the Bank of Montreal, and a large part of the harbour area.

The recommendations in these reports are that control, essential personnel, equipment and buildings be decentralized.

This transfer of the administrative offices of Trans-Canada Air lines from their isolated position in Winnipeg to the new Aviation Building in Montreal is a permanent move. It is a move, not for one generation, but for a long time to come. I place it before you honourable senators, as the height of absurdity and foolhardiness to increase the long-term hazard and peril to Canada by further concentrating the administrative control of transportation to one city centre.

For further illustration, and not to conjure up a bogey, suppose a similar bomb were to be dropped or exploded anywhere near these Parliament Buildings. You would have the following result: complete destruction of the Centre Block, East Block, West Block, Confederation Building, Justice Building, Supreme Court, Temporary War buildings to the west, Chateau Laurier, Navy Headquarters, Air Force Headquarters, Army Headquarters, etc.

As far as I have been informed through technical magazines—and I am an engineer by profession and a pseudo-scientist by avocation—the explosive parts of the bomb consist of two semi-globes, each about the size of a half-coconut, and these must be brought into immediate and forceful contact with one another to start the chain reaction of explosion with the instantaneous production of inconceivably high pressures, temperatures, and destructive radiations. It is not even necessary that this bomb be dropped from an airplane. The two parts of the explosive globe might separately be brought to the site by any of a number of other means. It is conceivable that the immunity of a diplomatic dispatch case might serve the dire purpose. Arranging the compressed contact of these two parts with one another should not be a very difficult engineering problem. The ordinary lighting circuit might be used for such purpose, or hydraulic pressure, or even a fanatical zealot with a martyr complex and a sledge hammer might do the trick.

During the height of the storm of Hitler's first air attack on Great Britain, Winston Churchill at a secret session of the House of Commons recommended that the meetings of that body be held at irregular intervals, advancing as a reason therefor the embarrassment that the British Government would be put to if it were immediately confronted with the simultaneous necessity of holding one hundred by-elections. Imagine the inconvenience it would be to a Canadian war effort, and defence against a Pearl Harbour type of attack, if the members of this body and of the other place, along with the Cabinet and all the control officers in our defence forces and auxiliary services and the administrators of this country, should suddenly disappear with all their records. Dispersal of government personnel and administration may take a long time, and it just might happen that it is not now too early to start consideration of it. I have in mind, not the conditions of the last war, but the probable conditions of a future war.

I can quite conceive that honourable senators might consider it necessary for the country's welfare to provide, by rules of this house, for a rotation of attendances and absences of members. On a Sunday afternoon, for instance, the stipend *in absentia* for an honourable senator who spent that time in Toronto might be greater than if he spent his time in the city of Hull. Let us not be too lugubrious.

It is interesting, however, to speculate on the Toronto situation. One bomb there could wipe out the Toronto General Hospital, all the provincial government buildings, the cream of Ontario youth at the University of

Toronto, and the control of various important financial and industrial organizations.

My own city of Winnipeg is doing what to my mind is a very foolish and dangerous thing from the long-term point of view. For the purpose of medical efficiency it is assembling or attempting to assemble, all its hospital services, along with the medical college, in one spot to be called the Medical Health Centre. Well, Hiroshima had a medical health centre, and when that city was bombed the effect, according to the American report, was as follows:

> The status of medical facilities and personnel dramatically illustrates the difficulty facing the authorities. Of almost 200 doctors in Hiroshima before the attack, over 90 per cent were casualties and only 30 physicians were able to perform their normal duties a month after the raid. Out of 1,780 nurses, 1,654 were killed or injured. Though some stocks of supplies had been dispersed, many were destroyed. Only three out of forty-five hospitals could be used, the two large army hospitals being rendered unusable.

Honourable senators, we are either in the atomic age and subject to its effects, or we are not. If we are in the atomic age, the perseverence in routine concentration of administrative personnel and facilities, and of transportation, government offices, parliament, hospitals and medical services, is dangerous, and we should not allow the mere inertia of our thinking of the present day to prevent us from taking remedial measures while we have time.

(Translation):

Honourable senators, may I congratulate the senator from Kennebec (Hon. Mr. Vaillancourt) who has already spoken on the subject of Canadian culture.

I should also like to endorse the sincere congratulations he has offered to the government when he praised the dual culture which exists in this bilingual country.

Everybody knows that I am of English and Irish descent. As my wife is a French-Canadian and as my children are bilingual, I think I am in a postion to appreciate the two chief races of the country. I have much admiration for the survival of the French-Canadian race; I bow before this phenomenon which has been going on from the days of New France to the present time. I would be remiss in my duty if I did not claim equal rights for the French and the English languages. Honourable senators, I hope you will bear with me, but I wish to pay proper tribute to the two great races represented in this house, which, traditionally, has assumed a protective role in respect to the rights granted by England to every section of our country.

(Text):

Honourable senators, you have been most kind. As I rose in my place for the first time, I stated that I felt various emotions crowding my breast. Some fifty years ago I started on my education. Since then I have wandered and made many contacts with the human race on this North American continent, and I have ever felt that I was in the continuous process of always learning. The feeling presses upon me that this chamber is my last classroom and that you, honourable senators, are my last companions and my last teachers. Fifty years ago, following one month's schooling, after a little act before an audience, I was taught by a little old teacher in a little old school on a little old street to recite a little old ditty. It is, of course, very bad poetry, and it may be in worse taste, but I would like to paraphrase it and apply it to the present situation.

I am the newest boy in school,
As you have readily seen just now;
And fondly I hope this body long may rule,
As thus I make my maiden bow.

Some Hon. Senators: Hear, hear.

Hon. W. M. Aseltine: Honourable senators, before the debate on the Address is completed, I should like to speak on two or three subjects which I have in mind. Before doing so, however, I wish to congratulate the mover and the seconder of the Address, and also to welcome to this chamber those senators recently appointed, from whom we expect much in the future.

My first remarks will be directed to that much-debated and controversial subject, wheat.

Hon. Mr. Hushion: Manitoba?

Hon. Mr. Aseltine: We have heard much about the growing, marketing and all the other aspects of wheat in the debates of this chamber and those of the other place; also, Royal Commissions have been appointed to investigate the Grain Exchange.

As honourable senators know, for the past thirty years I have been greatly interested in the growing and marketing of wheat, and I can assure honourable members that it is a most interesting business. I was so involved in the growing of wheat that just before New Year's Day 1934 I was appointed to this chamber to represent the wheat growers of the province of Saskatchewan. Therefore, I feel it is my duty to answer some of the criticisms which have been made in this chamber of the speech delivered by the honourable leader on this side (Hon. Mr. Haig).

First, I should like to clear up some confusion that appears to exist about the price

the farmer receives for his wheat. When it is stated that he gets $1.25 a bushel, that is not exactly correct. That is the price at Fort William, Vancouver or Churchill, and it includes the freight, elevator and other handling charges connected with the transfer of the grain to the shipping point. Those charges amount to about 18 cents a bushel. Under these circumstances the farmer does not receive $1.25 a bushel, but rather $1.07. That is for No. 1 wheat. Should the wheat be No. 2, he gets 3 cents a bushel less, and for No. 3 6 cents less, and so on down the line. We have talked a good deal about $1.55 wheat, and now we speak of $2.00 wheat. In each case the farmer receives 18 cents less than the quoted price. I should point out that Manitoba seems to be a favoured province in this respect. The farmers there are closer to the head of the lakes than are the Saskatchewan farmers, and therefore get 7 or 8 cents a bushel more than we do.

Hon. Mr. Haig: Hear, hear.

Hon. Mr. Aseltine: I think the question concerning the price has been cleared up. As I develop my remarks and refer to the price of wheat, honourable senators will bear in mind that the figure quoted is reduced by the handling charges.

When I spoke on this subject two years ago I referred to the fact that we had at that time four different prices for wheat in Canada. First, there was the price to the miller, of 77 and a fraction cents a bushel; second, the price the farmer received for the wheat delivered to the miller, of $1.25 a bushel; third, the price being paid by Great Britain, of $1.55 a bushel; and last, the world price for what we call No. 2 wheat, which was the price received by the Canadian Wheat Board for wheat exported to countries other than Great Britain.

Hon. Mr. Howden: My honourable friend quoted the first three figures. Will he also quote the fourth figure?

Hon. Mr. Aseltine: The last figure has been as high as $3 and some cents a bushel. According to the Winnipeg *Free Press* of Saturday last, No. 2 wheat was being exported to countries other than Great Britain at $2.19 a bushel.

Hon. Mr. Paterson: My honourable friend should not call it No. 2 wheat, but rather Class 2 wheat. No. 2 means No. 2 Northern.

Hon. Mr. Aseltine: I stand corrected. It is Class 2 wheat, but it may be No. 1 Northern or No. 1 Hard. I rather expected that the honourable senator from Thunder Bay (Hon. Mr. Paterson) and perhaps the honourable senator from Churchill (Hon. Mr. Crerar) would take part in this debate. I was hopeful that they would, because I think their views with respect to this subject do not differ greatly from mine.

I may say that the honourable leader on this side, before he made his speech a few weeks ago, obtained from the Canadian Wheat Board certain facts and figures, some of which I propose to use today. I wish to point out that the figures with respect to numbers of bushels and prices are those which he obtained, but the subtraction and the multiplication is my own.

In 1946 we grew a large quantity of wheat —the figures are not important—and we sold 169 million bushels, in wheat and flour, to Great Britain under the wheat agreement. The price was $1.55 a bushel, but the average world price for Class 2 wheat during the same period was $2.44¼. The difference between these two prices is 89¼ cents a bushel. If we multiply 169 million by 89¼ cents we get $150,410,000, which is the amount the farmers would have received had the wheat been sold at the world price.

Hon. Mr. Hugessen: And if it could have been sold at the world price.

Hon. Mr. Aseltine: In 1947 we sold 170 million bushels to Great Britain under the wheat agreement. The price was $1.55 per bushel, and the average world price, which had gone up from the previous year, was $2.88⅛ per bushel. The result is that on every bushel of wheat sold under the wheat agreement to Britain the farmers lost $1.33⅛. When you multiply 170 million bushels by $1.33⅛, you get $226,100,000.

Hon. Mr. Lambert: Has the honourable senator information as to how much wheat was sold as Class 2 in that same year?

Hon. Mr. Aseltine: Yes: 77·8 million bushels in 1946, 19·3 million bushels in 1947, and, as estimated, 84 million bushels in 1948. Add $150,410,000 to $226,100,000 and you get a total loss of $376,510,000. This is a lot more than the 17 cents per bushel mentioned yesterday by the honourable senator from Mount Stewart (Hon. Mr. McIntyre). Had he lived on the boundary between Saskatchewan and the United States he would have found that during all this period the farmer on the Canadian side got $1.50 less per bushel for his wheat than the farmer a mile away, across the line.

In addition to sales of wheat to the United Kingdom and to the world at large we must reckon domestic sales. In 1946-47 78·8 million bushels were sold for domestic purposes. For this the farmer obtained, from August 1, 1946 to February 17, 1947, $1.25 per bushel, and from February 17, 1947 to July 31, 1947, $1.55

per bushel. I have been unable to obtain information as to the quantity the farmer delivered for domestic purposes in each of these periods, but I am assuming that he received $1.55 during the whole year, though this is considerably more than he actually obtained. On this basis, if you multiply the price by the bushelage, you will find that his losses on domestic sales for the year amounted to $73 million. In the 1947-48 crop year 77·7 million bushels were delivered to the Wheat Board and sold for domestic purposes at $1.55, representing a loss per bushel of $1.33⅛, a total of $103,341,000. This, added to the $73 million for 1946, totals $200 million, and if the amount of which the grower was deprived on domestic sales is added to the figures I have previously given, the grand total considerably exceeds the $500 million which the honourable leader of the opposition (Hon. Mr. Haig) mentioned in his speech. I think I have made this very clear. If not, I have plenty of figures to back up what I have said.

I propose now to deal with the safety clause, and the argument of certain eastern newspapers and some honourable senators on the floor of this chamber that if the Canadian Wheat Board had thrown on the market 160 million bushels of wheat in 1946 and a similar amount in 1947 the market would have been broken and the price would have gone down. I say that that is not correct, because during that whole period there was a scarcity of food. While it is quite possible that the price might have been depressed a little, it could not have gone down very much. It must be remembered too that during that period while Britain was paying us $1.55 per bushel, she was buying wheat from other countries for as much as $4 per bushel.

It is not often in making a speech that I quote from newspapers, but I have in my hand a page removed from a great western newspaper, the Winnipeg *Free Press*, which on most issues is such a strong supporter of the present Government of Canada that I hope I may be allowed to read into the record an extract from the issue of February 28, 1949, dealing with this safety clause and the argument, to which I have just referred, that the market would have gone down if large amounts of wheat had been offered. Here is what this paper has to say:

> The United Kingdom-Canada Wheat Agreement contains a clause which is supposed to protect Canadian farmers against loss in the first two years of the contract—that is, from August 1, 1946, until July 31, 1948. In this period the Agreement required Canada to deliver to the U.K. 160 million bushels per year at $1.55 per bushel. The safety clause provided that if this price proved to be lower than the world price then the British government would "have regard to" the loss in fixing the prices for the last two years of the contract. The $1.55 price in those two years did prove to be a losing price to the amount of $330 millions.

Hon. Mr. Haig: May I interrupt my honourable friend? I think he will find that this statement refers to the British contract and agrees with his figures.

Hon. Mr. Aseltine: I thought mine were higher than that.

Hon. Mr. Haig: I do not think so.

Hon. Mr. Aseltine: The extract continues:

> Those in Canada who defend this agreement sometimes argue that it is not possible to calculate the loss in that way. They dispute the existence of a world price. They argue that if the 320 million bushels delivered to the United Kingdom in the crop years 1946-47 and 1947-48 had been put on the world market, the world price would have collapsed like a deck of cards.
>
> Of course, people who argue in this way must go further and declare that the "have regard to" clause in the Wheat Agreement was worthless and that therefore, the Canadian wheat producer never had any protection against loss. Moreover, this argument means that because the Canadian producer took less, every other wheat exporting country was able to charge more than would otherwise have been possible. This, of course, would not please the wheat farmer. It would mean that under the Wheat Agreement, he has held the bag for everybody else.
>
> There is, however, no virtue in this argument. There is no reason to suppose that the Wheat Board's Class 2 or world price in these crop years would have been significantly lower if the 320 million bushels of wheat had been sold under it. Why this is so is clear in the figures on world wheat production for this period. They are available in the November statistical abstract of the Bank of Canada.

Honourable senators, when a farmer sows his crop he takes quite a gamble. He may not harvest any crop at all because he has to contend with frost, rust, drought, hail, grasshoppers and many other handicaps. I have also been told that the farmer used to gamble a bit on the Grain Exchange, and lost money in that way; but no one ever expected that the government of this country would gamble in wheat. I hold that the agreement our government made with Great Britain for the sale of our wheat at fire-sale prices was the greatest wheat gamble of all times. I have always had the utmost respect for our present Minister of Agriculture. We attended the same university together and played on opposing college football teams. At that time he was a great debater—he still is; but since he entered into this agreement I have lost my confidence in him.

I do not blame the minister entirely for what he advised the government to do. I blame the heads of the wheat pools in Western Canada. It has been stated in this house, in the press and elsewhere that he took his advice from the heads of these pools, but these people did not represent all the wheat growers of Western Canada. I am a member

of the Saskatchewan Wheat Pool myself, but I was never consulted in the matter and I did not know anything about the Wheat Agreement until it was signed and the story was published in the newspapers. As I say, perhaps we cannot blame the Minister of Agriculture as much as we otherwise would for having accepted this bad advice, but both he and the government should have known that following every war the price of wheat goes up and stays up for some time. What happened after the Crimean War, the Boer War and the First Great War? Surely the same thing could have been expected to happen after the Second World War. In fact, it is exactly what occurred. Wheat not only went up in price, but it stayed up; and as I told my honourable friend from St. Boniface (Hon. Mr. Howden), class 2 wheat was selling for $2.19 a bushel last Saturday.

I imagine the Minister of Agriculture would be the happiest man in this country if, before the next election, wheat should drop in price as he expected it to do. The honourable senator from Regina (Hon. Mr. Wood) stated the other day that the government expected wheat to go down in price and that is why the government made the wheat agreement with Great Britain.

Honourable senators, I think I have said enough about wheat. There are some other matters with which I should like to deal. One of these is the Income Tax Act, a piece of legislation that is about as popular as the British Wheat Agreement. Honourable senators will recall that during the closing week of last session this house hurriedly passed the new Income Tax Act. My recollection is that it was only before the Banking and Commerce Committee for a few days. When the bill was being discussed in committee certain sections affecting personal corporations were considered. At that time I distinctly recall the leader of the opposition (Hon. Mr. Haig) and myself asking the tax officials from the Department of National Revenue if there was any change in the new Act relating to personal corporations. We were advised that there was no change, just a little clarification.

Right Hon. Mr. Mackenzie: What year was that?

Hon. Mr. Aseltine: It was last year. The new Act went into effect on January 1, 1949. I am interested in a small company, a personal corporation which pays no tax and whose dividends are only taxed in the hands of the shareholders when received by them. Well, you can imagine my surprise when in the first week of December I discovered that the law had been entirely altered. In order to save my small company I was obliged to practically wind it up in a hurry before the end of the year. I refer to subsection 6 of section 21 of the old Act. It read as follows:

> When the total income earned by a personal corporation since its incorporation has been taxed against and received by its shareholders, any further dividends declared and paid by such a corporation out of capital shall not be liable to taxation in the hands of the shareholders.

Hon. Mr. Burchill: Would the honourable senator please explain what a personal corporation is?

Hon. Mr. Aseltine: It is a corporation which does not actually do any active business but deals more with investments, and in which one person residing in Canada holds the majority of the stock. For instance, you and I might form a personal corporation to invest some money. It would be a personal corporation if I held 51 per cent of the stock and you and the other shareholders held the balance. It is entirely different from an ordinary corporation which pays double taxes. The company pays the tax on its earnings, and the shareholders pay a tax on the dividends when they receive them. That is the difference. This subsection 6 of section 21 was left out of the new Act entirely, and the new section proved to be the most difficult I have ever tried to interpret. When I discovered this new section I sent a telegram to Ottawa and received the following reply:

> Under new Act dividends of a personal corporation paid out of capital not exempt from tax (Stop) situation the same as an ordinary corporation in this respect.

Honourable senators can understand the position I was in. From talking to Toronto and Montreal lawyers since returning to Ottawa I gather that they were in the same "stew" about personal corporations for which they acted. At the last moment I discovered that this matter had been taken up with the Minister of Finance, and that he had made the following statement:

> The change in the wording of the new Act as compared with the old was not the result of a deliberate decision to change the policy with respect to personal corporations, and my present intention is to recommend to parliament in the forthcoming session an amendment which will carry forward into 1949 the practice that has obtained under the Income War Tax Act.

Hon. Mr. Haig: Hear, hear.

Hon. Mr. Aseltine: The reason I am bringing this up is that I want to make sure that that amendment is brought in. I have not heard a thing about it.

Right Hon. Mr. Mackenzie: What is the date of the letter, please?

Hon. Mr. Aseltine: I have not the exact date, but I know the letter was written some time last fall. It was addressed to the Toronto General Trusts Corporation, whose

manager told me they were interested in a number of these personal corporations. I saw the letter and copied this extract from it. I am calling attention to the matter now so that it will not be forgotten, and in the hope that an appropriate amendment will be brought in by the minister. I now inquire from the leader of the government if the government intends to amend the new act in accordance with the minister's statement.

My next point is not so involved. It concerns these wonderful new income tax forms that we received not long ago. In my hand I have one of the new forms for individuals, the T.1 Short Form. The print on it is so fine that one almost requires a magnifying glass to read it. I have no objection to what is on the form, but the wording should be legible. I am holding up now the old form, which honourable members can see is just twice as big. It has the same or nearly the same wording as is on the new short form, and is in print large enough to be easily read. I suggest to the government that a readable size of type be used on future forms. I never saw anything wrong with the old form, the bigger one, and I do not consider that the new one is easier to fill out.

I should like now to say a few words about the income tax form for farmers. In my office at home we do a lot of farmers' income tax work, not because we like doing it but because it has to be done, on account of the fact that farmers keep poor records. Here is the return the government put out for farmers in 1947, a form with a blue margin. It consists of six pages and was far from satisfactory, although if the last two pages had been left off altogether it would not have been so bad.

Right Hon. Mr. Mackenzie: Has the form not been changed since then?

Hon. Mr. Aseltine: Oh, yes. I am showing now the progress in simplification. Somebody —I do not know who had the brain wave— prepared the 1947 form so that a farmer was required to set out all his assets and liabilities, stock on hand and all that kind of thing, just as a big business has to do. The form for the previous year was, I consider, the best one ever put out. Here it is, a simple sheet, the Farmers T.1 Supplemental. We called it the blue form. In making out this form you started on the back, where there was a good deal of room for setting out depreciation on buildings and equipment, and so on, and beneath that there was a space for the schedule of wages paid and board supplied to hired help. The totals of the depreciation and of the wages and board were carried forward to page 1. On that page also the farmer set out all his receipts during the year—from the sale of crops and seeds, live stock and dairy products, as well as from patronage dividends, produce raised on the farm and consumed in the farm home, hail insurance received, and so on. The figures for all these items were placed on the left-hand side of page 1, and the farm expenses were set out on the right-hand side. The total expenses were then subtracted from the total receipts, and the net profit, if any, was transferred to the four-page form, on which the tax was computed. That was very simple.

Hon. Mr. David: That form was for what year?

Hon. Mr. Aseltine: 1946.

The T.1 General 1948 form is for use by individuals in business, farmers, fishermen, professional people—in fact, by everybody except wage earners, who use the T.1 Short Form. On the back of the T.1 General 1948 form the farmer is required to state his income and expenses, but the items set out for claiming expenses are not comprehensive enough and the space is too limited. If a farmer furnishes only the information asked for on this return the department will be writing him for the next ten years, wanting to know how the various amounts were made up. The Income Tax Office in the city of Saskatoon has already discovered that this 1948 form is no good, and has sent us a supply of the old forms, asking us to fill them out and send them in as supplemental sheets. If we do that we are not required to fill out the back of the new form. I suggest to the government that the T.1 General 1948 form be discarded in favour of the 1946 form, and that the T.1 Short Form for individuals be made twice as large as it now is. I think this would be far more satisfactory to taxpayers in general, and would result in a much speedier filing of returns.

Another subject that I wish to deal with is divorce.

Hon. Mr. Haig: There will be plenty of interest in what you have to say now.

Hon. Mr. Aseltine: I am not going into the matter very deeply at this time. As honourable senators know, I have been a member of the Divorce Committee of the Senate for the last fifteen sessions. The work is getting to be quite onerous. For a time we thought there would be a considerable reduction in the number of petitions this year; but this is not so, and it appears that the committee will have to hear and dispose of approximately 350 cases. However, that is not the point that I wish to discuss.

When speaking in this debate the honourable senator from Medicine Hat (Hon. Mr. Gershaw) referred to a statement that I

made in a speech on divorce a couple of years ago. That statement was to the effect that on account of the fact that the only ground for divorce in Canada was adultery, many people whose marriages had broken up were compelled to commit the offence of adultery in order to obtain a divorce. The honourable gentleman said, or at least I understood him to say, that in his opinion if our laws were modernized it would not be necessary for people to do that and there would be less adultery. Then, having modernized the law of divorce, he would make adultery a criminal offence. I regret that I must disagree with the honourable senator from Medicine Hat (Hon. Mr. Gershaw).

I do, however, agree that there should be some modernization of our divorce laws, and I am satisfied that it could be accomplished. If someone had the courage to take up the problem and see that the proper legislation to modernize the present law was passed through parliament, there would be less adultery, less perjury and less collusion and connivance. I think that such a measure should properly be presented at the opening session of a new parliament.

Before concluding I should like to tell honourable senators what Sweden has done in the way of developing the most modern of divorce laws. I was able to secure a digest of her divorce laws in the current copy of the *Magazine Digest*, taken from the *Swedish Review*. In that country there are no public hearings of divorce cases; the husband and wife have only to consent to a decree. I am not willing to go so far as to advocate that such a measure should be introduced in Canada; I merely wish to show how the question is handled in that country. After the giving of consent by the husband and wife, the dissolution of the marriage is deferred for a year, during which time a public officer, such as was suggested by the honourable senator from Medicine Hat, takes the case in hand and does his best to effect a reconciliation. If he fails, the divorce then goes through, but neither party can marry for a year. The laws of that country further provide that final divorce may be granted immediately for wilful desertion for a period of two years, for adultery, incurable insanity, three years' imprisonment on the part of either spouse, assault and battery, cruelty and other offences of that type. In Sweden a husband may even secure alimony if his wife has all the property. That is a measure we might introduce in this country.

Hon. Mr. Haig: That is a good idea.

Hon. Mr. David: Does the offence of cruelty include mental cruelty?

Hon. Mr. Aseltine: From the report before me I cannot answer that question. The offences include assault and battery and cruelty. I have no doubt that we could obtain from the Swedish Legation here full details of the divorce laws in that country. Unfortunately, I did not have time to inquire.

When the marriage is dissolved there is a property settlement, and the wife receives half of anything the husband has made during their marriage; but each party may retain possession of all property received by way of gift or inheritance. I put this information on the record to show what another country is doing concerning the question of divorce. It may be that in time something will be done here.

Right Hon. Mr. Mackenzie: May I ask a question, in an effort to be helpful? Has my honourable friend the details of the amendments to the British divorce law?

Hon. Mr. Aseltine: I have not got them here, but I have a copy of the divorce bill which we passed in 1938, which substantially covers the amendments made to the divorce laws of England just prior to that time. If my honourable friend would like to read it, I can let him have it. I thought it was quite a good piece of legislation, but after passing through this house it went to the other place, of which my honourable friend was then a member, and it never received second reading.

Hon. Athanase David: Honourable senators, it is not only a duty but a real pleasure to congratulate both the mover and seconder of the Address, on which I am about to speak.

While listening to the speech by my honourable friend from Clare (Hon. Mr. Comeau), many memories were brought to my mind. He expressed pride, as he had a right to do, in being an Acadian. My mother was an Acadian, and for that reason my honourable friend revived some old memories. One ancestor of my mother, Pierre Chenet was one of those put on an English boat at Grand Pré, and for a year was out on the ocean. Before he left his country he was engaged to a young Acadian girl. The parish priest at Grand Pré had told his parishioners that they had a right to marry wherever they met, provided they made their vows in the presence of witnesses. Eventually this man, Pierre Chenet, was put ashore in the woods near Boston, and after six months' travel right and left, south and north, he finally came upon a small group of Acadians who had been deported at the same time as he was. Among them he found the young woman to whom he was engaged, and he married her there in the presence of witnesses. Some six or seven years later, after he had earned a little money, he came back to

establish himself in the province of Quebec. A group of deported Acadians had by that time made their way through the woods and taken refuge in a little town by the name of L'Assomption near Montreal, and well-known to all living in that district. There he and his wife went before the parish priest and had their marriage regularized. I am told that on the same day the registry acknowledges the birth of three children.

I would be remiss if I did not acknowledge the kind words which have been said today by the honourable senator from Winnipeg (Hon. Mr. Davis). It is always a great pleasure for us who are of French descent, and who, despite what you will admit were at times great difficulties, have kept our French language, to listen to one of our English Canadian friends speaking our own tongue so admirably as did our colleague this afternoon. I must recognize that others in this house are similarly accomplished; and in saying this I cannot but regard my good friend the honourable senator from Inkerman (Hon. Mr. Hugessen), who from time to time is audacious enough not to speak English, and whose French is so elegant and perfect that it is a pleasure to listen to him.

About a year ago—and this I state without a trace of chauvinism or fanaticism, but factually, as such matters should always be communicated to this house—French Canada was proudly celebrating the centenary of the re-establishment of French as an official language in this country. But we could not express our pride and satisfaction without remembering the enormous difficulties which confronted Louis Hippolyte Lafontaine in trying to re-establish our language after its use had been abrogated by the statute of 1840, at the time of the union of Upper and Lower Canada.

I certainly am not going to be frivolous enough of thought to assume that everyone in this house does not know how it occurred that that repeal was brought about after so many years during which the French language had been spoken freely. It was the result of a visit to Canada of an envoy extraordinary of Great Britain, the Earl of Durham. Lord Durham was a great radical—more radical, perhaps, than Liberal, if one may judge from the way he envisaged this question. When he arrived he had taken great precautions to try to impress the public of Canada. The boat in which he sailed had been completely refurnished: there were new carpets, new chairs, new beds; everything was splendid and gorgeous. He came in 1838, shortly after what has been called the Rebellion of 1837, and evidently he thought that the mentality of French Canada was not entirely sympathetic to certain officials of the then administration. In his report to the British Government he made the recommendation that Canada should be an English country and that English should be the official language.

After the consequential statute was passed by the Imperial Parliament, it was received by the people of Quebec, needless to say, with, I will not say anger, but sorrow. Every one of you will recognize this as it is a perfectly human feeling. Hippolyte Lafontaine had been elected in the first Canadian election for the county of Terrebonne. At the opening of the house in 1842, despite the fact that he had no right to speak French in the house, he made his speech entirely in that language. Some three years later, addressing the house, he presented a resolution asking the Imperial Government to restore to the then majority of the country their own language; and by a statute of 11-12 Victoria, 1848, French again became an official language in Canada.

I have said this, as I took the precaution to say at the beginning of these remarks, without reproach, without blame, and without fanaticism. Wherever you go, human nature is always the same; and for reasons that appeared to some to be good, it was assumed that the French language was useless, because so many did not speak it. Evidently at that time there were many who did not share the sentiments of the honourable senator from Winnipeg (Hon. Mr. Davis), the honourable senator from Inkerman (Hon. Mr. Hugessen), the honourable senator from Victoria (Hon. Mr. Hushion), and other good friends whom I would also mention if I had heard them speaking French, which I have not so far had the opportunity to do. At that time the prevailing mentality was not what it is now. Naturally we must expect from time to time in future what has been experienced before, and is occasionally met with today, evidences of irritation, even attacks. But I sincerely believe that our Canadian mentality has acquired so much strength that we on both sides will in future successfully resist appeals to prejudice.

One may liken the situation of the French language in Canada to that of France among the nations of the world. I know that at times France has been exposed to criticism and that its politics have not been up to our expectations. We condemned, although with sorrow, the politics of France, especially in 1940; but is there any person in this house with the slightest knowledge of world culture who would like to see the light of France disappear from the surface of the earth, or the French language from Canada? The French language is one of the strongest

elements of cultural development a country can have. You, honourable senators who are in the majority, may be very proud of your Shakespeare; I admit that the world has never seen a greater genius than Shakespeare; but do not forget Racine, Corneille, Boileau, Bossuet, and many others so numerous that I would not attempt to name them, so long would be the list. From these ancestors of ours we have retained, not the whole light perhaps, but a spark which I am satisfied is reflected at times on the whole mind and intelligence of this country.

Some Hon. Senators: Hear, hear.

Hon. Mr. David: Winston Churchill in his second volume, "Their Finest Hour", after referring to France in the bad days when Reynaud could not conduct his cabinet in the way he wanted, after being a little satirical about the French situation, suddenly wrote, following a visit by airplane to Bordeaux:

> In all this miserable discussion it must be borne in mind that I was haunted and undermined by the grief I felt that Britain, with her 46 million population, had not been able to make a greater contribution to the land war against Germany, and that so far nine-tenths of the slaughter and ninety-nine-hundredths of the suffering had fallen upon France and upon France alone. I have written lightly of the happenings of these days, but here to all of us was real agony of mind and soul.

Honourable senators of the majority, if at times you see Canadians of French origin moved by sorrow or pride about something that affects France and that is French, please do not forget that in your hearts and souls you too possess a similar sentiment about England. When England suffers you suffer; when England is glorious you are glorious. So it is with us as to France; we too are human.

Some Hon. Senators: Hear, hear.

Hon. Mr. David: Excellent evidence of a better understanding between you and us—honourable senators know who I mean by "you" and "us"—is to be found in an article written by Abbe Maheux which appears in the Montreal *Star* every Saturday, in one column in English and the other in French. I believe this man has done more than anybody else in the last twenty-five years for rapprochement—not for unity; I do not believe in it; but for union of mind and union of patriotism in Canadians. As a result of his column forty young men from the University of Montreal were invited to pay a visit to the University of Toronto. I should not like to be indiscreet, but I am told that the Toronto students know how to enjoy life just as well as do the students in Montreal or Quebec City.

Some Hon. Senators: Oh, oh.

Hon. Mr. Hugessen: Question!

Hon. Mr. David: Some time later forty young male students from the University of Toronto paid a return visit to the University of Montreal. This is evidence of what one man can do. How splendid it would be if each of us would follow his example and try to promote this good will among our own people with whom we come into contact.

Honourable senators, I am now going to deal with a more delicate subject and one which is perhaps more difficult to treat. For some time now a rumour concerning the possibility of the abolition of the French language has found its way into Canada, particularly into the province of Quebec. The best interpreters of the British North America Act, the Canadian Constitution, are in my opinion—I may be wrong—the Fathers of Confederation. If you want to combine the spirit of the law and the letter of the law, surely their speeches, commentaries and declarations are the source to which you must go to get the truth. That is the source to which I went. I found first of all that when, in 1865, the Parliament of Upper and Lower Canada drafted a constitution for Canada they did not draft a new law but simply studied and approved, and conveyed to the Imperial Parliament, the resolutions of the Quebec Conference. With permission of the Senate I will read two or three of those resolutions. I hope that my reading of so much material will not be tedious to honourable members. I am making these citations because I believe it is my duty to present, not my own opinion but the opinions of the Fathers of Confederation, who knew more about the matter than I do.

The first resolution of the Quebec Conference read as follows:

> The best interests and present and future prosperity of British North America will be promoted by a federal union under the Crown of Great Britain, provided such union can be effected on principles just to the several provinces.

Hon. Mr. Leger: Will the honourable gentleman please state what he is reading from?

Hon. Mr. David: Certainly. I thought I had already done so. I am reading from the Parliamentary Debates on the subject of the Confederation of the British North American Provinces, third session, Eighth Provincial Parliament of Canada, 1865.

Section 43 of the resolutions is the one that enumerates the powers that were, shall I say, conceded, or at least abandoned, to the provincial legislatures, and subsection 6 of that section deals with education. That pro-

vides that the local legislatures shall have power to make laws respecting:

Education; saving the rights and privileges which the Protestant or Catholic minority in both Canadas may possess as to their denominational schools at the time when the union goes into operation.

Now let me read section 46:

Both the English and French languages may be employed in the General Parliament and in its proceedings, and in the local legislature of Lower Canada, and also in the federal courts and in the courts of Lower Canada.

The two resolutions that I have just read were the ones on which I believe the Fathers of Confederation pronounced themselves throughout the discussion with the greatest strength and the least reservation, as I shall try to show after I endeavour to establish that they considered the resolutions of the Quebec Conference were a treaty.

On page 31 of this volume of the Debates on Confederation, the Attorney General West —that was the title of the Honourable John A. Macdonald, who was Attorney General for Upper Canada—is reported as follows:

As I stated in the preliminary discussion, we must consider this scheme in the light of a treaty.

And, a little farther down on the same page:

I trust the scheme will be assented to as a whole. I am sure this house will not seek to alter it in its unimportant details; and, if altered in any important provisions, the result must be that the whole will be set aside, and we must begin *de novo*. If any important changes are made, every one of the colonies will feel itself absolved from the implied obligation to deal with it as a treaty, each province will feel itself at liberty to amend it *ad libitum* so as to suit its own views and interests; in fact, the whole of our labours will have been for nought.

At page 943 of the same volume Mr. Fortier, who represented Yamaska, is reported as follows:

It is a treaty from which no deviation can be allowed. But how is it that the Honourable Mr. Tilley of New Brunswick offered to allow the Opposition in that province to amend this treaty?

If I have to the satisfaction of honourable senators made out at least a *prima facie* case that the British North America Act is the result of a treaty, may I now make some references to the views held by members of the Parliament of 1865 on the Quebec Conference resolutions 43 (6) and 46, which I mentioned a few minutes ago?

Mr. Evanturel, the member for Quebec county, asked the Attorney General for Upper Canada whether section 46 was "to be interpreted as placing the use of the two languages on an equal footing in the federal parliament." The Attorney General for Upper Canada, Honourable John A. Macdonald, made this reply:

I have very great pleasure in answering the question put to me by my honourable friend from the county of Quebec. I may state that the meaning of one of the resolutions adopted by the Conference is this, that the rights of the French-Canadian members as to the status of their language in the federal legislature shall be precisely the same as they now are in the present Legislature of Canada in every possible respect.

Well, the Honourable Mr. Dorion, the member for Hochelaga, was not satisfied with Mr. Macdonald's statement that the delegates at the Quebec Conference intended to give the same guarantees for the use of the French language in the federal legislature as it existed under the then union. Mr. Dorion said this was no guarantee whatever, for in the Union Act it was provided that the English language alone should be used in parliament. He added:

There is, therefore, no guarantee for the continuance of the use of the language of the majority of the people of Lower Canada, but the will and the forbearance of the majority.

To this the Honourable Mr. Macdonald replied:

I desire to say that I agree with my honourable friend that as it stands just now the majority governs; but in order to cure this, it was agreed at the Conference to embody the provision in the Imperial Act. This was proposed by the Canadian Government, for fear an accident might arise subsequently, and it was assented to by the deputation from each province that the use of the French language should form one of the principles upon which the confederation should be established, and that its use, as at present, should be guaranteed by the Imperial Act.

The Honourable Georges Etienne Cartier added this declaration:

I will add to what has been stated by the Honourable Attorney General for Upper Canada, in reply to the hon. member for the county of Quebec and the hon. member for Hochelaga, that it was also necessary to protect the English minorities in Lower Canada with respect to the use of their language, because in the local Parliament of Lower Canada the majority will be composed of French-Canadians. The members of the conference were desirous that it should not be in the power of that majority to decree the abolition of the use of the English language in the local Legislature of Lower Canada, any more than it will be in the power of the Federal Legislature to do so with respect to the French language. I will also add that the use of both languages will be secured in the Imperial Act to be based on these resolutions.

Realizing how tedious it is for honourable members of this house to listen to citations, I am reluctant to read further; however, I feel it is my duty to offer one more citation. During the debate in the House of Commons, in February 1890, concerning the measure, in which Dalton McCarthy proposed the abolition of the French language in the North-West, Sir John A. Macdonald, at page 747, had this to say:

The reason why I oppose the bill of my honourable friend today is the same—because that bill, a small bill; I might almost call it an insignificant bill in its enacting clause—is based on the purpose of doing away with the French language, of discarding the French language, at all events, and depriving the French-Canadian people of the solace of the

language they learned at the feet of their mothers. Why, Mr. Speaker, if there is one act of oppression more than another which would come home to a man's breast, it is that he should be deprived of the consolation of hearing and speaking and reading the language that his mother taught him. It is cruel. It is seething the kid in its mother's milk.

Honourable senators will find in Article 93 of the British North America Act the guarantees made by Cartier and Macdonald as to the education and language of the Protestant minorities, and in Article 133 the commitments with respect to the French language.

Now, has the majority in Parliament the right to abolish the French language? In one speech I found a sentence for which I have searched for years. Is says that parliament can do everything but change a man into a woman and a woman into a man. We should not forget that Macdonald said that the French language, in case of accident or if the majority in parliament wanted to abolish it, would still be guaranteed by the Imperial Act; therefore, should parliament tomorrow decree the abrogation of the use of the French language, it would do so in violation of that Act. The abrogation of the right to use the language would be a repudiation of one of the principles upon which the constitution of Canada rests today. Think of the turmoil and the catastrophe which would result from such a move. But should parliament say "down with the French language", I cannot make myself believe that the government of Great Britain would permit her word of honour, given in 1865 at the request of one of the great men in history, to be violated by his descendants.

Moreover, if there is a further danger it is this: that tomorrow Canada herself will have the exclusive right to amend her charter. Should that happen, having in mind the precautions that were taken by the minority in the province of Quebec to safeguard their language and the education of their young men, would I be thought an extremist if I said that on the day when Canada gains the exclusive right to amend her charter, it should be specially provided that the sections of the British North America Act which guarantee to the Protestant minority of Quebec and to the French Canadians their respective rights as to education and langauge shall never be amended without the consent of the Quebec Legislature?

I have taken so much of the time of this honourable house this afternoon that I am reluctant to turn at this time to further subjects about which I wish to speak. I should particularly like to refer to the question of communism. If it is the wish of the house I can postpone my further remarks until tomorrow.

Hon. Mr. Haig: I suggest that the honourable gentleman be allowed to adjourn the debate now and resume tomorrow.

The Hon. the Speaker: Honourable senators, is it your pleasure to permit the honourable gentleman to adjourn the debate and to resume tomorrow?

Some Hon. Senators: Carried.

The debate was adjourned.

THE SENATE CHAMBER

ATMOSPHERIC CONDITIONS

Hon. Mr. Haig: Before adjournment is moved, I wish to state that I have informed the Clerk that there is a draft coming in again that we on this side of the chamber feel, and that I am going to be laid up with a cold. Will the Clerk please ask the engineer to see if something cannot be done about it?

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Thursday, March 17, 1949

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

Prayers and routine proceedings.

EXCHEQUER COURT BILL

REPORT OF COMMITTEE

Hon. Elie Beauregard presented the report of the Standing Committee on Banking and Commerce on Bill N-2, an Act to amend the Exchequer Court Act.

He said: Honourable senators, the committee have, in obedience to the order of reference of March 15, 1949, examined the said bill, and now beg leave to report the same without any amendment.

THIRD READING

Hon. Mr. Robertson moved, with leave of the Senate, that the bill be now read the third time.

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

TOURIST TRAFFIC

REPORT OF COMMITTEE

Hon. Mr. Buchanan presented and moved concurrence in the second report of the Standing Committee on Tourist Traffic, as follows:

Your committee recommend that it be empowered to inquire into and report upon the activities of the various agencies concerned with promoting tourist travel in Canada, and that the committee be authorized to send for persons and records.

The motion was agreed to.

DIVORCE BILLS

FIRST READING

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

Bill R-2, an Act for the relief of Gordon Aylmer Thistle Shirres.

Bill S-2, an Act for the relief of Walter Jasper Blake.

Bill T-2, an Act for the relief of Margaret Murray McKinnon Trenholm.

Bill U-2, an Act for the relief of Walter Wilson McBroom.

Bill V-2, an Act for the relief of Mabel Florence Dunk Wright.

Bill W-2, an Act for the relief of Thomas Somerville.

Bill X-2, an Act for the relief of Joseph Wilfrid Leon Desrosiers.

Bill Y-2, an Act for the relief of June Lucille Odell Woolnough.

Bill Z-2, an Act for the relief of Christopher Edmond Cobham.

Bill A-3, an Act for the relief of Jack Zelinsky.

The bills were read the first time.

SECOND READING

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

Hon. Mr. Aseltine: With the leave of the senate, now.

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

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

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

THE NORTH ATLANTIC PACT

On the Orders of the Day:

Hon. Wishart McL. Robertson: Honourable senators, you may recall that on Tuesday last I stated that it was my intention to table the North Atlantic Pact concurrently with its tabling and publication in the capitals of the various countries that are directly interested in it. I then supposed that this would occur tomorrow afternoon at 3 o'clock, in which event it would have coincided with our usual hour of opening. I am now advised that the pact will be made public in London at 8 o'clock tomorrow morning and that it will be tabled in the House of Commons at 11 o'clock; therefore, I desire to move that when the Senate adjourns today it stand adjourned until tomorrow at 11 a.m. Such a motion, of course, requires unanimous consent.

The motion was agreed to.

SPEECH FROM THE THRONE

ADDRESS IN REPLY

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

Hon. Athanase David: Honourable senators, yesterday, in my desire to curtail my remarks and avoid becoming tedious to this house I omitted one observation which I believe has for the other provinces as much importance as the one I made concerning Quebec had for that province. It is this. When and if the day comes that Canada has the right to change her own constitution, no special constitutional right which has been conceded or granted to any province should be altered,

changed or abrogated without the express consent of the province to whom that right has been conceded. Such a provision would do something, I believe, for the good administration, the stability, even the prosperity of this country. Any right that is taken from a province, whatever it may be, creates unrest; and where there is unrest there is no stability; and where there is no stability there cannot be any prosperity.

These shall be my last words on the subject: my dream for Canada may be exaggerated, but I visualize her in years to come as one of the great nations of the world;—

Hon. Mr. Roebuck: She is now.

Hon. Mr. David: Well, she is not always treated as such, —and I believe that it is the duty of everyone today to prepare for this future, for though we may not see it, we can have the satisfaction during our lives of knowing that we have promoted it, and, in dying, the consolation of having assured it for our children and grandchildren.

I come now to another topic. No subject, I believe, has been more discussed in recent years than Communism. Speaking about it, I know, gives rise to certain difficulties, which I will note as I go on. I believe I cannot better commence these remarks than by quoting from a book written very recently by Eisenhower, entitled "Crusade in Europe." On page 476 the author states:

> Volumes have been, and volumes will be, written on the collapse of world co-operation and true significance of the events that accompanied the tragedy. For us, all their words will amplify one simple truth. Freedom from fear and injustice and oppression will be ours only in the measure that men who value such freedom are ready to sustain its possession—to defend it against every thrust from within or without.

I should like to refer to a real Churchillian note and cite what Churchill—I do not refer to him as Winston Churchill because the name Churchill is sufficient—said in the House of Commons last year. It is this:

> Democratic government is the worst form of government except those forms of all categories that have been tried from time to time.

We find in these remarks one of the best examples of Churchill's humour.

Honourable senators, how many communists are there in Canada? I believe the number is of very small importance when it is realized that Russia, with its six or seven satellites, and a total population of 250 or 275 millions, has no more than 25 or 30 million members of the Soviet party. Communism under Stalin is not so much an ideology or doctrine as a faith. I will not discuss the anti-religious campaign carried on in each of Russia's satellite countries under the direction of Moscow. Every member of this chamber is familiar with that campaign and it is unnecessary to review it here.

Hon. Mr. Haig: May I interrupt to ask my honourable friend a question? Did he use the word "faith"?

Hon. Mr. David: Yes, faith, "une foi". It is a religion.

Hon. Mr. Haig: Thank you.

Hon. Mr. David: Honourable senators would be right in asking if it is possible to give a definition of "communists" and "communism". I admit that this is pretty difficult. The only explanation given, even in the modern dictionaries, is that a communist is one who is a co-possessor or co-proprietor, and that communism is a doctrine that establishes co-proprietorship and co-possession. Well, we all know that communism today is not that at all. If I might venture an opinion, I would say that communism today is no longer what Marx and Engels contended it was, a little more than a century ago. Marx's ideology or doctrine passed through many channels of thought before becoming what Stalin made it in our times.

There was a time when great French statesmen declared in the Chamber of Deputies that free thought and anticlericalism were not exportable products. Evidently that is not the opinion of the Politbureau or of the Russian dictator, because the chief exports of Russia today are the communistic principles that she wishes to spread throughout the whole world. May I add that, in my own opinion, communism was formerly a doctrine that influenced politics, but today it is politics that influences a doctrine. The aim of communists is world domination, and they declare that to establish it they would go so far as to destroy and ruin our modern civilization and all forms of government that adhere to principles which are democratic, and which they consider to be inimical to their own.

If the foregoing can be accepted as a broad definition of communism and communists, then I would say that every communist, in whatever country he lives, is a person who, notwithstanding any oath of allegiance that he may have pledged to that country, still receives orders from Moscow and works day in and day out for the triumph of communism all over the world, and who to attain this objective is ready, first, to help in destroying constituted authority, and afterwards, the government itself in the country of his residence. If that be so, as I honestly and conscientiously believe it is, then every communist living in a democratic country today is a traitor to that country.

Some Hon. Senators: Hear, hear.

Hon. Mr. David: This seems to have been the thought of the honourable judges of the Supreme Court of British Columbia who refused the appeal of Mr. Gordon Martin, an avowed member of the Labour Progressive Party, from the decision of the Benchers that, inasmuch as he could not take the oath of allegiance required of every lawyer, he was not a fit person to practise at the Bar. Here is a man who wanted to be a lawyer, but who cannot be admitted to the Bar because of his inability to take an oath of allegiance and respect it. Some persons might ask whether this was not an attempt to deprive a man of freedom. I shall come to this later.

It is quite unnecessary for me to point out that since the last war unrest, dissatisfaction and discontent have prevailed nearly all over the world—in countries that were military victors as well as in those that were vanquished—and it is to be feared that some considerable time must elapse before the necessary equilibrium is re-established in social, political and economic domains. Evidently there are many reasons for this; but I may point out that economics are dominated by politics, and that economic prosperity is an essential condition to political strength and stability. That is more important now than ever before, because in this twentieth century nations are so interdependent that political instability in any one country is felt not only by all classes of its own society, but probably by all classes in every other country. This I believe explains in part why clashes between classes have rapidly superseded international rivalries. This unrest and instability, together with perhaps a certain lack of orientation and a fearful hesitancy on the part of statesmen, makes all the easier the work of demagogues in persuading the working classes that they are still being exploited.

The "equality of man" is the enticing bait that the demagogues have used in the past, are using today, and will continue to use in the future among the millions who are dissatisfied with their lot in life. Envy is one of the last characteristics of humanity to die. The preachings and teachings of the doctrine of the equality of man, allied with envy and a desire to improve one's lot in life, account in certain measure, I seriously believe, for the risks taken by so many in their activities in the black market, in speculation, in fiscal evasion and in civil disobedience. The masses, claiming that they cannot obtain justice from others, have believed themselves justified in taking the law into their own hands. It is my opinion that that belief is the greatest element of disruption there is, and that it lies at the root of the total, absolute and complete lack of respect for authority, whether moral, spiritual or governmental, which exists in the world today.

If this be true, I affirm without hesitation that disorders of the mind are even more serious and more to be feared than material disorders. When order, spiritually and morally, has been destroyed, do not look for it in the other domains, for it no longer exists. This was well known to Marx, Lenin and Stalin, and it is the reason why in every country one finds emissaries trying to create turmoil and unrest. Is it not true that one seldom finds hatred among a contented and satisfied people, but that it may be instilled into a discontented and dissatisfied people? This was the policy of Marx and Lenin, and it is now being continued throughout the world by Stalin twenty-four hours a day.

Honourable senators, I said a moment ago —though to you it may seem longer—that regardless of where the communist finds himself today he receives his orders from Moscow. Whatever may be his oath of allegiance to the country where he lives, the communist follows orders from Moscow, and cannot be anything but a traitor to his country of residence.

We need not go very far to find evidence of this. During the recent war Thorez fled from France to Russia; he did not want to fight; and he has recently declared that if there is a war the French will not fight against the Soviet Republic. A similar declaration was made in Italy by Togliatti, who has said that if the Russian armies enter Italian territory the Italians will not fight the communists. Similar declarations have been made in England and in the United States. Mr. Buck has not made such an announcement, but were he called upon to do so could he fail to follow his orders from Moscow?

Now, what is the duty of a state or country that is exposed to this danger? Communism is a threat to everything a Canadian citizen cherishes and loves. In the face of such a threat a free citizen of this country must be just as jealous of his responsibility as he is of his liberty. We must have the courage not only to speak, but to act; we must meet the communistic menace as we would meet the threat of an epidemic which might destroy the health of the individual.

I have read so often of liberty of thought and freedom of speech, that I doubt if there is anyone in this house more democratic than myself. But, thank God! I distinguish between freedom and licence; between liberty and slavery under the guise of liberty. Any man among us who is the father of a family knows that when his wife or child suffers an

attack of a contagious disease—be it typhoid fever, scarlet fever or any such ailment—an officer of health comes to the door and places a placard on it prohibiting anyone from leaving the house. This practice is considered proper for the protection of other individuals living in the community. Now, is it an impeachment of freedom to tell a man that because a contagious disease has been found in his house he and his family must remain indoors? I do not believe anybody has found the restrictions of quarantine revolting, because everyone has always thought, and rightly, that the freedom of the individual must sometimes be curtailed to safeguard society as a whole. Spiritual health in a country is as important as, if not more important than, physical health, because bodily disease may be cured, and sometimes rapidly, but the cure of spiritual disease takes a very long time.

Here is an editorial on freedom, in a newspaper whose opinions I do not always share. I have made it a rule in my life that when something which is right appears in a paper with whose general point of view I do not agree—something which arrests my attention and grips my mind—I appreciate it, often I admire it, and I use it. The Ottawa *Journal* of February 23 of this year contains this comment:

> There are those we know, who will object—who will say that if we ban communism we shall be banning thought, betraying ourselves into hysteria over a "Red scare", with peril of "witch hunting". The answer is that a Criminal Code amended to outlaw the communist party would not ban thought . . . All that would be done, all that could be done, would be to say by law that communists among us be not permitted to organize for our destruction.

Later in the article:

> But while we need to remember that freedom is a living thing and that all who work for it honestly and peacefully are entitled to respect, we must at the same time, for our own safety, make distinction between those who aim merely to enfranchise man's spirit and those who, through deceit and treachery, would choke all freedom.

The Prime Minister said not many days ago that there would be no persecution directed against communism or communists. It is agreed that there should never be persecution of anybody. But neither should there be senseless toleration. We cannot be tolerant of an evil which creates such a menace to our democratic institutions. It is not cowardice but, rather, our duty to be afraid of what the future will hold if we do not at once take means to safeguard those institutions. I therefore believe that to outlaw communism in Canada cannot and would not constitute an attack upon individual freedom, but would be purely and simply a measure of protection against endeavours which, were they successful, would destroy the liberties and the rights of the majority. I think I can safely affirm that, should the communist effort succeed, at least 12,700,000 of the 13 million Canadians would be deprived of their rights to freedom and liberty. For these reasons I believe that drastic action of the appropriate kind, applied without fear and without hesitation, has become a patriotic duty that all citizens have the right to expect from a free government, which must remain the guardian of the liberties of our country.

Hon. W. Rupert Davies: Honourable senators, I am sure you will all realize that it is with a good deal of trepidation that I rise to address you after you have listened to such a scholarly address by the honourable and learned senator who has just taken his seat. I am sure that we all enjoyed it very much, and I believe the great majority, if not all of us, concur in everything he said.

There are a few things I would like to say about the Speech from the Throne. It was not possible for me to be here during the first week or two of the session. I therefore did not hear the mover and the seconder. However, I should like to take this opportunity to add my congratulations to those which have been showered upon these two senators. I only hope that they were not as nervous when they addressed this honourable body as I was when I did so for the first time. Incidentally, it is a condition with me which, I am sorry to say, does not seem to improve as the years go by.

Some Hon. Senators: Oh, oh.

Hon. Mr. Davies: I propose in discussing the Speech from the Throne to reverse the usual order of things, and to say a word or two about the last paragraph first. I refer to the paragraph dealing with the retirement of Mr. Mackenzie King. I was present at the convention in 1919 when Mr. Mackenzie King was chosen as leader of the Liberal party. I have followed his career throughout, and have always been one of his ardent admirers. Many incidents in his career stand out in my memory, but none more clearly than the speech he made at the dinner given in honour of the delegates from the various parts of the Commonwealth to the Imperial Conference held in London in 1926. I do not wish to imply that I was a delegate to that conference; I was simply there as a press representative. I remember well the masterly address delivered by Mr. King on that occasion, and the applause which it brought forth. I had the pleasure of sitting next to that fine old Irishman, "Tay Pay" O'Connor.

Some Hon. Senators: Hear, hear.

Hon. Mr. Davies: This is a good day to mention that story. I shall never forget how

lustily "Tay Pay" applauded the remarks of Canada's Prime Minister on that occasion, which breathed the spirit of optimism for Canada. Honourable senators will recall it was at that conference that the Statute of Westminster was born, and Mr. King made a great impression on all those in attendance.

I listened attentively to the speech made by the honourable senator from Kennebec (Hon. Mr. Vaillancourt) last week and the speech made by the honourable senator from Rosetown yesterday (Hon. Mr. Aseltine). I paid particular attention to their remarks on divorce. I have my own views on divorce, but I do not propose to discuss the rights or wrongs at this time. I do, however, want to say something about the Senate Committee which has the laborious task of hearing divorces.

Hon. Mr. Haig: Hear, hear.

Hon. Mr. Davies: I feel that the Senate Committee on Divorce should be adequately paid for its work. It is impossible for this committee to cope with its list of approximately 350 applications per year without sitting on week ends, a time when most senators are free of any duties. I suggest to the leader of this house (Hon. Mr. Robertson) that he discuss with the government the matter of additional payment to the members of the Senate Divorce Committee. My understanding is that it is really a judicial committee made up, for the most part, of lawyers, who are sitting without any extra remuneration. As this committee is doing the work that should be done by judges, I see no reason why they should not be paid for it. I do not suppose that I would be asked to serve on that committee; I would not wish to be, because it seems to me that it should be composed entirely of lawyers.

It was with mixed feelings that I read the paragraph in the Speech from the Throne relating to an amendment of the Supreme Court Act. I realize that now we have become a full-grown Canadian nation we should settle our own disputes and no longer take them across the sea to the Privy Council. Nevertheless, honourable senators, as a British-born Canadian I will probably be pardoned if I feel a certain amount of sadness at the severing of the last connecting link with the Motherland. What the members of the Canadian Bar feel about the proposal to abolish these appeals will no doubt be learned when the bill is being discussed. It is one of the growing pains which must be endured if Canada is to assume its full nationhood.

I hesitated a long time before I decided whether to say anything about family allowances. I shall try to keep close to the notes I have written, because it is easy to say the wrong thing about family allowances, and I do not wish to do that. I note that a bill is to be introduced this session to broaden the scope of the Family Allowances Act, as a further instalment of the policy of the government to provide a national standard of social security and human welfare designed to assure the greatest possible measure of social justice for all Canadians.

I do not expect there is much use expressing an opinion on family allowances which is in any way contrary to the spirit which seems to permeate both the Liberal and the Progressive Conservative parties today. Nevertheless, I should like to issue a note of warning to this house. When family allowances were first talked about, I was opposed to them, not because I begrudged the help to needy families, but because I felt that they would help the thriftless and penalize the thrifty. However, I listened to the debate in the other place and also in this house, and I was won over to support the measure. I am still in favour of it, but I think we have gone far enough. Where is all this paternalism going to end? Why do we need to talk so much about social justice in these times of abounding prosperity? Wages were never so high in this country nor work so plentiful. I expect this amendment will be the answer to the resolution passed at the Progressive Conservative Convention. It is a case of out-Heroding Herod. I say that is what I expect it will be.

I was lunching with a Progressive Conservative friend of mine in Toronto the other day, and I was good-naturedly twitting him a little bit about this matter. I knew he was not in favour of family allowances when the bill was introduced. Like many of us, he had to fight his way up from the bottom without any help from the government. He educated himself with money he earned by remaining after school on Saturdays and sweeping out the business college he attended. Today he employs and pays good wages to over 500 men and women in his various plants. As I say, I twitted him a little about it, and he said to me "Politics certainly make strange bedfellows". I said "Indeed, they certainly do".

Honourable senators, I would not go so far as to say that either the Liberal party or the Progressive Conservative party were endeavouring as yet to climb into the socialist bed; but it looks to me as if during the coming election campaign the two old, staid, tried and true parties—the Progessive Conservative party and the Liberal party—which by their policies have made this country great, might yet have a merry scrap to see which one shall wear the top of the socialist pyjamas, and which one the pants, before they lie across the foot of the socialist bed.

Some Hon. Senators: Oh, oh.

Hon. Mr. Davies: When this bill is discussed here I shall probably vote for it, as no doubt we all shall. I do not usually vote against government measures without some very good reason. Family allowances are now part of our economic life; but let us take the long view; do not let us go too far and kill initiative and ambition. How many of those listening to me today would have been senators if, when they were young, there had been family allowances? They learned early in life to battle for a place in the sun, and they got here as a result of their achievements, by overcoming obstacles. They know, as I do, that when we were young a dollar or two earned after school, or in the evenings and on Saturdays, not only helped out the family treasury, when necessary, but also gave a good deal of pride and satisfaction to the earner. But today no young person in Canada has to worry about such a thing as earning a few dollars after school or on Saturdays. Ask employers of labour. Ask men who want boys or girls for occasional work after school. Listen to some of the remarks of mothers who are in receipt of family allowances: they will tell you quite frankly that their children do not have to work after school. Yet those children always seem to have money to admit them to the movies.

Honourable senators, I seriously wonder just what effect all this government generosity is going to have on the rising generation. It seems to me that this is something we have got to consider. Will the boys and girls of today have the same ambition and desire to achieve that was developed in people of past generations—such as the great adventurers who came from France during the sixteenth and seventeenth centuries, or the pioneers of the eighteenth and nineteenth centuries who blazed a trail through the forests and pushed civilization farther and farther up our rivers? Let us never forget, honourable senators, that character is built, not by sliding down the mountain side to the green and pleasant valleys, but by climbing up over crag after crag to the heights. True, as Lloyd George said when he became Prime Minister of England, "It's awfully cold at the top." But where would this glorious country be today if it had not had men willing to endure privations and hardships—or, to put it metaphorically, the coldness of the mountain top—in their efforts to build a strong and united Canada?

Some Hon. Senators: Hear, hear.

Hon. Mr. Davies: In the Speech from the Throne a paragraph that interests me very much is the one relating to the proposed appointment of a royal commission to investigate our cultural life. I am deeply concerned about our cultural life, as I am sure every honourable senator is. It has been well said that man cannot live by bread alone. Cicero told us many long years ago that cultivation of the mind is as necessary as food for the body. Great writers and thinkers all down through the ages have expressed the same idea in different words.

But let me read you the paragraph:

> It is the view of my ministers that there should be an examination of the activities of agencies of the federal government relating to radio, films, television, the encouragement of arts and sciences, research, the preservation of our national records, a national library, museums, exhibitions, relations in these fields with international organizations, and activities generally which are designed to enrich our national life, and to increase our own consciousness of our national heritage and knowledge of Canada abroad. For this purpose, the government intends at an early date to establish a royal commission.

If I were not speaking in the Senate I would say that was a "doozer"; the first sentence contains 78 words.

Some Hon. Senators: Oh, oh.

Hon. Mr. Davies: I intend to discuss the paragraph seriously, but in passing I may say that when I first read it I was reminded of an incident in my young days as a reporter. I began to learn reporting under a bluff Scotsman from Glasgow who had a rough tongue. The honourable leader of the opposition in this house (Hon. Mr. Haig) may have known him. His name was Bruce Walker, and I understand that he later went to live in Winnipeg.

Hon. Mr. Haig: That is right.

Hon. Mr. Davies: A good many years ago Bruce Walker had two regular reporters working under him, and also he had the assistance of a couple of young fellows who worked in a printing office by day and did a little reporting at night. I was one of these. For this work, I may say, we were not paid in money, but got words of encouragement or blasphemous criticism from Mr. Walker, depending upon what he thought of any particular piece of reporting we did. One evening my young fellow-reporter was assigned to write an account of a concert at which his sister played a piano solo, and he thought he would "do her proud." I shall never forget the verbal explosion that I heard next morning when Bruce Walker was reading my colleague's copy and came across this sentence:

> The wavy and billowy-like volume of sound threw the audience into a state of most exquisite pleasure, from which they emerged as it were with inspiring impulses.

When I heard the roar from Bruce Walker I looked up in fear and trembling, not knowing whether he was going to have a stroke or, perhaps, kill the reporter. However, after

some very strong language the incident passed over, but I have never forgotten it.

Peculiarly, as I have said, this paragraph in the Speech from the Throne brought that incident back to mind. The paragraph certainly sets out a very comprehensive undertaking for the proposed royal commission. It looks as though the commission would have to gather people from Dan to Beersheba in its search for information relative to our cultural life.

I am strongly in favour of the spirit of this proposal, but to me the proposal itself seems much too sweeping. It is not specific enough. It may be that in its tour around the country the commission will not call people before it, but will go out on the highways and byways and discuss the various matters mentioned in this paragraph. If the commission members do that, they may have a journey something like what G. K. Chesterton had in mind when he wrote these lines:

Before the Roman came to Rye or out to Severn strode,
The rolling English drunkard made the rolling English road.
A reeling road, a rolling road, that rambles round the shire,
And after him the parson ran, the sexton and the squire.
A merry road, a mazy road, and such as we did tread
That night we went to Birmingham by way of Beachy Head.

If this had been St. Andrew's Day, for instance, instead of St. Patrick's Day—I would have ended that verse with a different line from the same poem, which I am sure would have pleased the senator from Vancouver Centre (Right Hon. Mr. Mackenzie):

That night we went to Bannockburn by way of Brighton pier.

I would suggest that when the royal commission is appointed, it should first look into radio and television, and after that investigate the possibility of establishing in Ottawa a national library and building a new art gallery. There is no hurry about any of the other items mentioned in that long paragraph.

Honourable senators, I should like to take a few minutes to refer to television, which is now a subject of very wide interest. Television has arrived, and I do not think Canada can afford to wait very long for a royal commission's report before taking some action in this matter. In its development we do not want to lag too far behind Great Britain and the United States. I saw a splendid television broadcast at Broadcasting House in London a dozen years ago, and six years ago I watched a broadcast at the studios of the National Broadcasting Company in New York. Although we have no television broadcasts in Canada at present, I am told that in Toronto there are nearly two hundred sets receiving broadcasts from Buffalo. I was under the impression that the General Electric Company in the United States was turning out approximately five hundred television receiving sets a day, but I believe now that my estimate was low.

In order that I might give honourable members some accurate information about the matter I secured a copy of an address delivered by Joseph Sedgwick, K.C., to the Advertising and Sales Club of Toronto. As many honourable members may know, Mr. Sedgwick is a prominent lawyer in Toronto. He is solicitor for the Association of Canadian Broadcasters, and naturally takes a keen interest in television, although not alone for that reason, but also because his brother is one of the big stockholders and General Manager of CFRB, one of the most powerful stations at Toronto. I shall read not the whole of Mr. Sedgwick's address, but only certain excerpts:

At this moment, television in Canada is a little like the weather—everybody talks about it but nobody does anything about it. This however may be said in extenuation, the inactivity of the private radio stations and certain others interested in television is not of their choosing, but is a state of lethargy enforced by orders from above. In a word—television like radio operates on channels—in this country the licensing of those channels is controlled by the C.B.C.—the C.B.C. cannot make up its mind as to how best to solve its almost insoluble internal problem—and thus no licences are issued. But 1949 has every appearance of being the year of decision, so a quick look round—here and abroad, may be of some service to people like yourselves who are concerned about all publicity media.

Now, 1949 is not going to be the year of decision, unless the commission is appointed promptly and does a good deal of travelling in a short time.

Mr. Sedgwick goes on to say:

During the last two years television in the United States, so long experimental and haphazard, really arrived. The status of television in the United States during 1947 changed from that of a demonstrated technical reality to a firmly established broadcasting service. Take sets in use as one measure.

This, honourable senators, is really enlightening.

Prior to the war (1941) there were 10,000 television sets built in the United States. Post-war production started in October, 1946, and in that month 827 sets were built. Only two years later, in October, 1948, the monthly production was 95,000 sets. In November, 1948, it was 122,000 sets, and in December 125,000 sets. And as for 1949, it is estimated that the average production will be 160,000 sets a month—or almost two million sets this year. Putting the figures a little differently—at the end of 1947 there were 170,000 sets in use in the United States; at the end of 1948, some 900,000 sets were installed, about 800,000 of them in homes and 100,000 in bars, restaurants, clubs and other places of public entertainment. And the estimates as to the future are staggering; the industry estimates (and I am told conservatively) that by the end of 1952 there will be about 13,700,000 sets in use, and by the end of 1953 something in excess of 18,000,000.

And we in Canada have done nothing at all in this field.

If you will place beside that figure—

says Mr. Sedgwick,

—the suggested saturation one of 24,000,000 sets in use, you will see how rapidly television is likely to approach economic saturation in its field—and how rapidly it will displace, if not completely, largely, A.M. broadcasting.

Mr. Sedgwick says a good deal more which I shall not tire honourable senators by reading, but I should like to quote something with particular reference to Canada:

Then of course there is the scarcity of channels, a problem even more acute in television than in A.M. broadcasting. Only 12 channels are available by international agreement, for television broadcasting in North America, and not all of them are available in all parts of Canada; in Toronto, for instance, close as it is to highly populous parts of the United States, only three channels are open; in Hamilton only one. But neither in television nor in A.M. can a country just sit on channels.

This information, gentlemen, is startling.

Without doubt Canada lost the right to make the fullest possible use of some of its A.M. channels because for years the C.B.C. power freeze compelled stations to operate on less power than the maximum permitted to the channel occupied. So in television, U.S. interests are already eyeing enviously our vacant channels, and are saying, with some justice, "if you don't want them or can't make up your minds, then let us have them who want them and will use them immediately". Nor is this thinking confined to station operators or would-be television broadcasters. In his *Maclean's* article, Blair Fraser says:

"In Washington I had a chat with Wayne Coy, Federal Communications Commission chairman. He dropped a broad hint that if television channels are badly overcrowded the U.S. might want to take over some channels now allotted to Canada. To do so it would have to negotiate a new agreement and the Canadian case would be sadly weakened if we had decided to make no use at all of the channels we have."

And significantly, Mr. Fraser's article is headed:

"We're falling so far behind on television we may never catch up. Ottawa balks the C.B.C. and the C.B.C balks private showmen."

What are the facts asks Mr. Sedgwick.

Firstly, without any doubt, able and well-financed Canadian interests are willing and anxious to enter the television field. In Toronto, for the three available channels, four applications are before the C.B.C., from CFRB, CKEY, CHUM, and Famous Players Canadian Corporation. In Montreal, CKAC and Canadian Marconi, operators of CFCF, have already applied, and without doubt there will be others.

That is the situation with regard to television, honourable senators, and it is a serious one. I think it is about time Canada got busy and looked into the whole question and decided just what is to be done about it. There are a limited number of channels, and unless we claim them they will be grabbed up by the United States.

I wish to turn for a moment to radio. This is a branch of our cultural life which is developing at a tremendous rate. We all know that the Canadian Broadcasting Corporation is trying to provide programs which will suit all tastes. Some of us prefer the New York Symphony Orchestra on Sunday afternoons; others prefer "Amos and Andy" and "Fibber McGee and Molly". These programs come from south of the border over C.B.C. networks and are relayed through networks of private stations. The Canadian Broadcasting Corporation is doing a fine work, particularly in the production of "Stage 49" every Sunday night, and also in its special Wednesday-night programs.

There are about 90 private broadcasting stations in Canada. Many of them are small local stations, but their cultural aspects should not be discounted. They are spending a certain amount of their revenue every month to develop local talent, and it is interesting to note that this talent seems to be improving every year. We all realize that in some small cities there is a dearth of good local talent which can be put on the air, and the local stations are doing what they can with it.

The British system of broadcasting may have its advantages, and it may appeal to the British people, but it is confined to national interests only. In Canada our local stations are part of the community and are always willing to help any worthy cause. School children are often heard over local stations; likewise, local church services. This is something which would be impossible if we did not have the small stations scattered from one end of Canada to the other. A few weeks ago the Kingston station cleared the air of all programs and advertising from 8 until 11 o'clock in the evening so that the people of that area could hear Handel's *Messiah* performed by the Mendelssohn choir and the Toronto Symphony Orchestra, under Sir Ernest MacMillan. I am sure that program was enjoyed by all who heard it.

I feel that the Canadian Broadcasting Corporation is very well managed, but I am of the opinion that it might be better if it did not have the power to regulate its competitors.

Hon. Mr. Haig: Hear, hear.

Hon. Mr. Davies: I do not think I would go so far as to say that Canada should allow private networks to develop. I feel that the interest of the state is greater than that of any individual or group of individuals. I have not yet persuaded myself that we should follow the example of the United States in permitting private networks. I do feel, however, that a commission separate entirely from the Canadian Broadcasting Corporation might be a better authority to regulate the private stations. Many private stations resent being controlled by a body

which competes with them for many forms of advertising.

But while we are studying radio, television and films, let us not forget for a moment the Little Theatre movement. That is an activity in which I am keenly interested. At the present time regional festivals are being held all over Canada. The Dominion Drama Festival was originated by Lord Bessborough, with the assistance of Colonel Henry Osborne and other gentlemen here in Ottawa, and groups were formed in the various provinces. I am sure Ottawa senators will be interested in knowing that the Ottawa Little Theatre group won first prize three years in succession in the Eastern Ontario Drama Festival. The Edmonton Community Players are another group that is doing excellent work. Two years ago, at the finals in London, they produced a play called "My Heart's in the Highlands", which was warmly welcomed both by the audience and the adjudicator. Particularly outstanding was the acting of eleven-year-old Stewart Kerby, a school-boy who says he wants to be a professional actor when he grows up. Mr. Robert Speaight, who was the adjudicator of the finals here in Ottawa last year, and this year is the regional adjudicator, in speaking the other day of the Alberta Festival said, "it is the best I have seen across Canada." During the finals in London I had a chat with young Stewart Kerby and his mother. They told me that they belonged to a group which rehearsed in a basement somewhere in Edmonton, that this group had a great struggle to get along, and that they paid their own way down to London for the finals. She and her little boy travelled second-class, either tourist or colonist.

To illustrate the cost today of an enterprise of this kind: one of the finest amateur productions of Shakespeare that I have seen was done at the Eastern Ontario Regional Festival in Brockville two or three weeks ago by a group of school teachers from Peterborough. They played "The Taming of the Shrew". It was really a magnificent effort, and while it did not win first prize, it was very highly commended by the adjudicator as a colourful production most beautifully done. But it cost $900 to take it from Peterborough to Brockville. The players, a group of school teachers, wanted to bring it to Ottawa, but found that they could not afford the expense. There is no theatre here large enough to allow of sufficient admissions to pay the expenses of the group—who, I believe, call themselves the Peterborough Little Theatre group—so they did not bring the production to Ottawa. This Little Theatre work is a branch of our culture which should have some encouragement, and I say again that a grant of $10,000 a year would be a Godsend to the Dominion Drama Festival. It would help little groups out in the West and in the Maritimes, and even in Ontario, to move from place to place giving performances. Not only that; it would enable them to buy or rent the proper costumes and do all sorts of things which are necessary to adequately produce these plays.

This is a branch of our cultural life which, since Lord Bessborough started it, has spread across the country. The finals for the current season will take place in Toronto in the last week of April, and I am sure that we are going to see some very fine performances. Indeed, the work of the Ottawa Little Theatre group at Brockville was held by Mr. Speaight to be practically on the professional level. So I urge, honourable senators, that the Dominion Drama Festival be supported.

I would also like to see something done about a National Library. I read the other day that a committee has been appointed to bring some records up to date. I was not quite sure whether the purpose was not to stop the agitation for a National Library. If so, it missed the point. This country should have a National Library, a National Museum and an Art Gallery, and they should be situated right here in the capital city, so that when people come from the United States or Britain, or from the various parts of Canada, there will be something for them to see besides the Parliament Buildings.

Canadians should be able to visit their own National Library, their own National Gallery, their own Museum. The National Gallery that we have today contains dozens, probably hundreds of pictures which have to be stored, because there is no room to display them. The project of a National Gallery should be taken seriously. Surely we are paying enough taxes and raising enough money to spend a little on these cultural agencies. If a socialist government in Britain can set aside one to two million pounds to build a National Theatre, this Dominion should be able to make some provision for a National Gallery and a National Library.

Then, also, we should not forget to encourage our present-day authors. Recently Mr. Will R. Bird, of Halifax, president of the Canadian Authors' Association, has been making a trip across Canada, and he says that he is delighted and surprised at the work which is being done by authors all over this country. I note that in the estimates there is an item, amounting I believe to $4,000, for retired authors, or what is called the Writers Foundation. The provision is a good one, but I think there should be some similar encouragement of the active living writers of today.

I did not take part in the debate on the entry into Confederation of Newfoundland, because I felt there were many others here who are better informed about it than I am. I have never been in Newfoundland;

however, one of my sons who was stationed there about three years during the war has told me a good deal about the island and its people. He came back full of enthusiasm, and has since returned to Newfoundland for two holidays because he liked it so well. I only want to say that I join others in welcoming Newfoundland, as the tenth province of Canada, into our Confederation.

Having opened my remarks by referring to the last paragraph of the Speech from the Throne, I will close by discussing very briefly the first paragraph, that relating to the Atlantic Pact. As a Canadian, I am proud that our own Prime Minister played a prominent part in the plans for bringing it about. I believe that the Canadian and other governments who are subscribing to it are taking the right course: it is a show of strength.

I listened with great interest to the remarks about communism which were made this afternoon by the honourable senator from Sorel (Hon. Mr. David), and I agree with everything he said. Communism today is a menace to the free peoples. My friend George Drew is no more opposed to Communism than I am. I have a feeling, however, that the influence of communism is on the wane in this country. Nevertheless, it is still with us, and I believe it should be carefully watched and kept strictly within the bounds of the law. We do not want communism in this country. I shall go further than that, and say that we are not going to tolerate communism in this country.

Some Hon. Senators: Hear, hear.

Hon. Mr. Davies: We shall make the communists strictly obey the laws. If I had my way we would tighten up the law. At the same time I do not think we should aid and abet interference with the governments of other countries. I realize that there are states in Europe today which are not free; but honourable senators have all read history—probably much more than I have—and know that the instincts of free peoples will not allow them to remain bond slaves. We have seen it happen time and again. They remain enslaved for a few years; perhaps ten, twenty or thirty, but they rise up again to become free. The tide is waning already in Europe. We know that. We are sorry for some of the countries and we would like to help them, but we can do little directly at the moment. One thing we can do, however, is to build up our own defence and help those in western Europe to build up theirs.

The name of Canada stands high in the world today. No other country of 12 million people is as highly regarded. Let us keep our country strong and free, and hope that it will be many long years before we have to go to war again. But, honourable senators, let us make quite sure that if we ever do have to go to war again we shall be ready.

Some Hon. Senators: Hear, hear.

Hon. Felix P. Quinn: Honourable senators, I had not intended to address you on the Speech from the Throne, but during the progress of the excellent address to which you have just listened, a note was sent to me by the member from Vancouver Centre (Right Hon. Mr. Mackenzie) in which he asked: "Why don't you say a word about Ireland and sing an Irish song?". That is what prompted me to rise.

To be in order, I must first congratulate the mover and seconder of the Address. I did not know the mover of the Address until he came into this chamber, but the name of the seconder is a byword in the province of Nova Scotia.

Some Hon. Senators: Hear, hear.

Hon. Mr. Quinn: When the name Willie Comeau is mentioned, all know immediately who he is. We all listened with a great deal of interest to the splendid, homely address which he made. But I am going to take some credit for it, because, when he was going over it the other day with the honourable member from Margaree Forks (Hon. Mr. MacLennan) and myself, he started to tell us about his ancestry. I then said: "Why don't you include that in your remarks when you are making your speech in the house?" He hesitated, but finally agreed to do so. That is why I am entitled to take some credit for the speech upon which he has been congratulated so often.

I must offer my congratulations also to the other senators who have contributed such excellent addresses to the debate on the Address, but I want to particularly congratulate the honourable senator from Sorel (Hon. Mr. David), who spoke so well yesterday and today.

Some Hon. Senators: Hear, hear.

Hon. Mr. Quinn: While he was making his reference to communism—something which we all regard as a menace—it recalled to my mind a time some years ago when I was a member of the other house and when the top communist of this country was incarcerated in the Kingston Penitentiary. The late Viscount Bennett was then the leader of our party and Prime Minister of Canada. The subject of communism was brought up at a Conservative caucus, and at the conclusion of his remarks the then Prime Minister said, "Well, thank God we have one bulwark against communism in this country—Quebec and the Catholic Church".

Some Hon. Senators: Hear, hear.

Hon. Mr. Quinn: I need not enlarge upon that. You all know from the pronouncements of the head of the church in Rome, and by the cardinals and bishops and clergy throughout the world, that the stand of the Catholic Church has been made quite clear. The attitude of the communists and soviets towards the heads of the Catholic Church was plainly illustrated in the mock trials—trials of mockery—of Cardinal Mindszenty, Archbishop Stepinac, and others with whose names you are familiar. Soviets and communists regard the Catholic Church as their number one enemy. We know the attitude of the province of Quebec, and that the ugly head of the serpent of communism will make no progress there. We also know that the slimy head of the serpent of communism will never make any progress in the land of my forefathers, the anniversary of which all Irishmen throughout the world are celebrating today.

Some Hon. Senators: Hear, hear.

Hon. Mr. Quinn: It is a legend of St. Patrick that he banished the snakes and the toads from Ireland, and that ban remains to the present day. That is why we need have no fear of communists in that country—they come within the category of snakes and toads.

This festival—la fête de Saint-Patrice, the feast of Saint Patrick—is honoured and celebrated throughout the whole world. You will find Irishmen everywhere. It was many centuries ago that Saint Patrick went to Ireland when it was a land of pagans and converted its people to Christianity in record time. We know the story of the three-leafed shamrock; how he plucked it from in front of his feet and held it aloft to illustrate the mystery of the Blessed Trinity. And so the Irishman wears a shamrock today as an emblem of his nationality and his faith.

Ireland is a land of saints, poets, scholars and missionaries. It has sent its missionaries throughout the entire world, and it has probably done more than any other nation towards bringing pagans and infidels to Christianity. Go where you will throughout the earth and you will find an Irish missionary. Whether he be at the South Pole, in Africa, in China or Japan, you will see that his heart has remained true and still beats just as fast for the dearly beloved land of his forefathers.

We are celebrating the feast of St. Patrick's Day, and I am prompted to exclaim, in the words uttered by the returning exile when he came on deck in the morning and got a glimpse of the old soil:

> O, Ireland, isn't it grand you look,
> With the sun your hill-tops adornin'.
> With all the pent-up love in me heart
> I bid ye the top of the mornin'.

Some Hon. Senators: Hear, hear.

Hon. Mr. Quinn: I have completed the first part of the task assigned to me by my right honourable friend from Vancouver Centre (Right Hon. Mr. Mackenzie), and if you will permit me, I will now complete the second part by singing a verse. You have all heard it sung by Bing Crosby:

> And if there's going to be a life hereafter,
> And faith I'm sure that there is going to be,
> I will ask my God to let me make my heaven
> In that dear land across the Irish sea.

God save Ireland!

Some Hon. Senators: Hear, hear.

Right Hon. Ian Mackenzie: Honourable senators, if I have rendered no other service during my membership in this honourable chamber, I think I did one this afternoon by being indirectly responsible for the eloquent and moving address that has just been given by the honourable gentleman from Halifax (Hon. Mr. Quinn).

Some Hon. Senators: Hear, hear.

Right Hon. Mr. Mackenzie: He sang the chorus of "Galway Bay," which is the most popular song in the United Kingdom today. I should like to read the first verse.

Hon. Mr. Aseltine: Sing it.

Right Hon. Mr. Mackenzie: I cannot sing as acceptably as my honourable friend from Halifax. The first verse reads:

> If you ever go across the sea to Ireland,
> Then maybe at the closing of your day,
> You will sit and watch the moon rise over Claddagh.
> And see the sun go down on Galway Bay.

Honourable senators, may I ask the indulgence of the house while I say a few words more? We have days of remembrance in honour of the patron saints of the freedom-loving nations—St. Patrick of Ireland, St. Andrew of Scotland, St. David of Wales and St. George of England. Canada too had her saints in the early days of settlement, and we know their names.

I regret that I am not eloquent in the French language, but I should like to say now a few words in that tongue.

(Translation):

Honourable senators, I wish to congratulate the senator from Sorel (Hon. Mr. David) for the stirring appeal which he made yesterday on behalf of the French language in Canada. As long as our country exists, French will remain one of the official languages as provided by our constitution.

(Text.)

The address delivered yesterday by the honourable gentleman from Sorel (Hon. Mr. David) was one of the finest that I have ever

heard in parliament—and by that I mean both houses. I wish to assure the honourable gentleman that those of us who come from the West and know the great pioneering spirit of that part of the country are as determined as he is to see that the rights of the French language as established in the constitution of Canada will always be upheld as long as we are in public life.

Some Hon. Senators: Hear, hear.

Right Hon. Mr. Mackenzie: I have a particular affection for the province of Quebec. I happen to have studied its history, beginning with the voyagings of Jacques Cartier, who landed in this country from France in 1554, and of Champlain, another French explorer who went first to New Brunswick, then to Quebec, and afterwards as far west as Kingston—and perhaps, as some authorities say, much farther. Then there was de la Verendrye, who reached as far west as what is now the city of Winnipeg. These and others—explorers, pioneers, missionaries and nursing sisters—who came here from France, settled this country and gave it government for one hundred and fifty years.

Then came the great joining of forces, in 1759, and today you will find on the plains of Abraham a twin statue to two great soldiers, Wolfe and Montcalm, who opposed each other there. That statue is emblematic of the unity that we need in Canada today—unity between the provinces and between capital and labour, and especially unity of all our people in support of the great movement that is going forward in Canada today for the maintenance of international peace in this tempest-tossed world. I am not going to make any political statement at all, but I should like to pay a tribute to the Prime Minister of Canada, who is one of the world leaders in the cause of international peace.

Now, honourable senators, I wish to do something which I know is, strictly, not permitted by the rules. Some years ago Mr. Tolmie, member for Bruce, used the Gaelic tongue in the other house, and what he said appeared in *Hansard*. I ask permission to speak now for thirty seconds in the same tongue:

Agus mar sin tha Sinn an diugh cumail cuimhne air Padrurg Sagart mor Eireann agus tha Sinn a guidhe gum pi Sonas agus Saorsa ann an Eilean uaine Eirinn anns na laithean tha air Thoiseach. Tir Eirinn an diugh.

Tir Eirinn. Am mairlach Eireann an comhnudh. Eireann gu bragh.

Hon. Mr. Quinn: Cha fas mi ach thu.

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

The motion was agreed to.

The Senate adjourned until tomorrow at 11 a.m.

THE SENATE

Friday, March 18, 1949

The Senate met at 11 a.m., the Speaker in the Chair.

Prayers and routine proceedings.

DIVORCE BILLS

FIRST READING

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

Bill B-3, an Act for the relief of Morna Elsa Kott.

Bill C-3, an Act for the relief of Doris Christina Meldrum Franklin.

Bill D-3, an Act for the relief of Francis Thomas Lariviere.

Bill E-3, an Act for the relief of Maurice Abraham Rodier.

Bill F-3, an Act for the relief of Liselotte Karola Roer Goode.

Bill G-3, an Act for the relief of Albert Labreche.

Bill H-3, an Act for the relief of Bessie Drinkwater Jackson.

Bill I-3, an Act for the relief of Bessie Shafer Cohen.

Bill J-3, an Act for the relief of Ludmila Mach Morawetz.

Bill K-3, an Act for the relief of Ernest Cecil George Thackway.

Bill L-3, an Act for the relief of May Garnet Greene Lofting.

Bill M-3, an Act for the relief of Henry John Bobinski.

Bill N-3, an Act for the relief of Mary Eileen Birks Moorhouse.

Bill O-3, an Act for the relief of Florence Ruby Robbins Cumby.

Bill P-3, an Act for the relief of Kathleen Elizabeth Flookes Kerr.

Bill Q-3, an Act for the relief of Berthe Marie Madeleine Brunet Egar.

Bill R-3, an Act for the relief of Mary Alice Eva Rivard Sharkey.

Bill S-3, an Act for the relief of Evelyn Florence Brigden Piper.

Bill T-3, an Act for the relief of Beatrice Violet Hudson Hineson.

Bill U-3, an Act for the relief of Fernand Dupuis.

Bill V-3, an Act for the relief of Frances Strakosch Alexander.

Bill W-3, an Act for the relief of Peonie Taub Joseph.

Bill X-3, an Act for the relief of Doris Mabel Garwood Cunningham Watt.

Bill Y-3, an Act for the relief of Marion Dorothy Hill Parker Jeffryes.

The bills were read the first time.

SECOND READING

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

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

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

THE NORTH ATLANTIC PACT

TREATY TABLED

Before the Orders of the Day:

Hon. Wishart McL. Robertson: Honourable senators, I desire to table a copy of the North Atlantic Treaty proposed for signature during the first week of April, 1949. For the information of honourable senators I may say that copies of this document in both English and French are being distributed through the mail boxes to honourable senators at this time.

In view of the importance of this treaty, I will take the liberty of reading it to the house, and would ask, with the concurrence of the Senate, that both the English and French versions be inscribed in and become part of the records of the Senate.

Some Hon. Senators: Agreed!

Hon. Mr. Robertson: The document is as follows:

NORTH ATLANTIC TREATY PROPOSED FOR SIGNATURE DURING THE FIRST WEEK IN APRIL, 1949

Preamble

The Parties to this Treaty reaffirm their faith in the purposes and principles of the Charter of the United Nations and their desire to live in peace with all peoples and all governments.

They are determined to safeguard the freedom, common heritage and civilization of their peoples, founded on the principles of democracy, individual liberty and the rule of law.

TRAITÉ DE L'ATLANTIQUE-NORD PROPOSÉ POUR SIGNATURE AU COURS DE LA PREMIÈRE SEMAINE D'AVRIL DE 1949

Préambule

Les États parties au présent Traité, réaffirmant leur foi dans les buts et les principes de la Charte des Nations Unies et leur désir de vivre en paix avec tous les peuples et tous les gouvernements,

Déterminés à sauvegarder la liberté de leurs peuples, leur héritage commun et leur civilisation, fondé sur les principes de la démocratie, les libertés individuelles et le règne du droit.

They seek to promote stability and well-being in the North Atlantic area.

They are resolved to unite their efforts for collective defence and for the preservation of peace and security.

They therefore agree to this North Atlantic Treaty:

Article 1

The Parties undertake, as set forth in the Charter of the United Nations, to settle any international disputes in which they may be involved by peaceful means in such a manner that international peace and security, and justice, are not endangered, and to refrain in their international relations from the threat or use of force in any manner inconsistent with the purposes of the United Nations.

Article 2

The Parties will contribute toward the further development of peaceful and friendly international relations by strengthening their free institutions, by bringing about a better understanding of the principles upon which these institutions are founded, and by promoting conditions of stability and well-being. They will seek to eliminate conflict in their international economic policies and will encourage economic collaboration between any or all of them.

Article 3

In order more effectively to achieve the objectives of this Treaty, the Parties, separately and jointly, by means of continuous and effective self-help and mutual aid, will maintain and develop their individual and collective capacity to resist armed attack.

Article 4

The Parties will consult together whenever, in the opinion of any of them, the territorial integrity, political independence or security of any of the Parties is threatened.

Article 5

The Parties agree that an armed attack against one or more of them in Europe or North America shall be considered an attack against them all; and consequently they agree that, if such an armed attack occurs, each of them, in exercise of the right of individual or collective self-defence recognized by Article 51 of the Charter of the United Nations, will assist the Party or Parties so attacked by taking forthwith, individually

Soucieux de favoriser dans la région de l'Atlantique-Nord le bien-être et la stabilité,

Résolus à unir leurs efforts pour leur défense collective et pour la préservation de la paix et de la sécurité,

Se sont mis d'accord sur le présent traité de l'Atlantique-Nord:

Article 1

Les Parties s'engagent, ainsi qu'il est stipulé dans la Charte des Nations Unies, à régler par des moyens pacifiques tous différends internationaux dans lesquels elles pourraient être impliquées, de telle manière que la paix et la sécurité internationales, ainsi que la justice, ne soient pas mises en danger, et à s'abstenir dans leurs relations internationales de recourir à la menace ou à l'emploi de la force de toute manière incompatible avec les buts des Nations Unies.

Article 2

Les Parties contribueront au développement de relations internationales pacifiques et amicales en renforçant leurs libres institutions, en assurant une meilleure compréhension des principes sur lesquels ces institutions sont fondées et en développant les conditions propres à assurer la stabilité économique et le bien-être. Elles s'efforceront d'éliminer toute opposition dans leurs politiques internationales et encourageront la collaboration économique entre chacune d'entre elles ou entre toutes.

Article 3

Afin d'assurer de façon plus efficace la réalisation des buts du présent Traité, les Parties, agissant individuellement et conjointement, d'une manière continue et effective, par le développement de leurs propres moyens et en se prêtant mutuellement assistance, maintiendront et accroîtront leur capacité individuelle et collective de résistance à l'attaque armée.

Article 4

Les Parties se consulteront chaque fois que, de l'avis de l'une d'elles, l'intégrité territoriale, l'indépendance politique ou la sécurité de l'une des Parties sera menacée.

Article 5

Les Parties conviennent qu'une attaque armée contre l'une ou plusieurs d'entre elles survenant en Europe ou en Amérique du Nord sera considérée comme une attaque dirigée contre toutes les Parties et, en conséquence, elles conviennent que, si une telle attaque se produit, chacune d'elles, dans l'exercice du droit de légitime défense, individuelle ou collective, reconnu par l'Article 51 de la Charte des Nations Unies, assistera la Partie ou les Parties ainsi attaquées en prenant aussitôt,

and in concert with the other Parties, such action as it deems necessary, including the use of armed force, to restore and maintain the security of the North Atlantic area.

Any such armed attack and all measures taken as a result thereof shall immediately be reported to the Security Council. Such measures shall be terminated when the Security Council has taken the measures necessary to restore and maintain international peace and security.

Article 6

For the purpose of Article 5 an armed attack on one or more of the Parties is deemed to include an armed attack on the territory of any of the Parties in Europe or North America, on the Algerian departments of France, on the occupation forces of any Party in Europe, on the islands under the jurisdiction of any Party in the North Atlantic area north of the Tropic of Cancer or on the vessels or aircraft in this area of any of the Parties.

Article 7

This Treaty does not affect, and shall not be interpreted as affecting, in any way the rights and obligations under the Charter of the Parties which are members of the United Nations, or the primary responsibility of the Security Council for the maintenance of international peace and security.

Article 8

Each Party declares that none of the international engagements now in force between it and any other of the Parties or any third state is in conflict with the provisions of this Treaty, and undertakes not to enter into any international engagement in conflict with this Treaty.

Article 9

The Parties hereby establish a council, on which each of them shall be represented, to consider matters concerning the implementation of this Treaty. The council shall be so organized as to be able to meet promptly at any time. The council shall set up such subsidiary bodies as may be necessary; in particular it shall establish immediately a defence committee which shall recommend measures for the implementation of Articles 3 and 5.

Article 10

The Parties may, by unanimous agreement, invite any other European state in a position to further the principles of this Treaty and to contribute to the security of the North Atlantic area to accede to this Treaty. Any

individuellement et d'accord avec les autres Parties, telle action qu'elle jugera nécessaire, y compris l'emploi de la force armée, pour rétablir et assurer la sécurité dans la région de l'Atlantique-Nord.

Toute attaque armée de cette nature et toute mesure prise en conséquence seront immédiatement portées à la connaissance du Conseil de Sécurité. Ces mesures prendront fin quand le Conseil de Sécurité aura pris les mesures nécessaires pour rétablir et maintenir la paix et la sécurité internationales.

Article 6

Pour l'application de l'Article 5, est considérée comme une attaque armée contre une ou plusieurs des Parties: une attaque armée contre le territoire de l'une d'elles en Europe ou en Amérique du Nord, contre les départements français d'Algérie, contre les forces d'occupation de l'une quelconque des Parties en Europe, contre les îles placées sous la juridiction de l'une des Parties dans la région de l'Atlantique-Nord au nord du Tropique du Cancer ou contre les navires ou aéronefs de l'une des Parties dans la même région.

Article 7

Le présent Traité n'affecte pas et ne sera pas interprété comme affectant en aucune façon les droits et obligations découlant de la Charte pour les Parties qui sont membres des Nations Unies ou la responsabilité primordiale du Conseil de Sécurité dans le maintien de la paix et de la sécurité internationales.

Article 8

Chacune des Parties déclare qu'aucun des engagements internationaux actuellement en vigueur entre elle et toute autre Partie ou tout autre État n'est en contradiction avec les dispositions du présent Traité et assume l'obligation de ne souscrire aucun engagement international en contradiction avec le Traité.

Article 9

Les Parties établissent par la présente disposition un conseil, auquel chacune d'elles sera représentée, pour connaître des questions relatives à l'application du Traité. Le Conseil sera organisé de façon à pouvoir se réunir rapidement et à tout moment. Il constituera les organismes subsidiaires qui pourraient être nécessaires; en particulier il établira immédiatement un comité de défense qui recommandera les mesures à prendre pour l'application des Articles 3 et 5.

Article 10

Les Parties peuvent, par accord unanime, inviter à accéder au Traité tout autre État européen susceptible de favoriser le développement des principes du présent Traité et de contribuer à la sécurité de la région de l'At-

state so invited may become a Party to the Treaty by depositing its instrument of accession with the Government of the United States of America. The Government of the United States of America will inform each of the Parties of the deposit of each such instrument of accession.

Article 11

This Treaty shall be ratified and its provisions carried out by the Parties in accordance with their respective constitutional processes. The instruments of ratification shall be deposited as soon as possible with the Government of the United States of America, which will notify all the other signatories of each deposit. The Treaty shall enter into force between the states which have ratified it as soon as the ratifications of the majority of the signatories, including the ratifications of Belgium, Canada, France, Luxembourg, the Netherlands, the United Kingdom and the United States, have been deposited and shall come into effect with respect to other states on the date of the deposit of their ratifications.

Article 12

After the Treaty has been in force for ten years, or at any time thereafter, the Parties shall, if any of them so requests, consult together for the purpose of reviewing the Treaty, having regard for the factors then affecting peace and security in the North Atlantic area, including the development of universal as well as regional arrangements under the Charter of the United Nations for the maintenance of international peace and security.

Article 13

After the Treaty has been in force for twenty years, any Party may cease to be a Party one year after its notice of denunciation has been given to the Government of the United States of America, which will inform the Governments of the other Parties of the deposit of each notice of denunciation.

Article 14

This Treaty, of which the English and French texts are equally authentic, shall be deposited in the archives of the Government of the United States of America. Duly certified copies thereof will be transmitted by that Government to the Governments of the other signatories.

In witness whereof, the undersigned plenipotentiaries have signed this Treaty. Done at Washington, the .....day of April, 1949.

lantique-Nord. Tout État ainsi invité peut devenir partie au Traité en déposant son instrument d'accession auprès du Gouvernement des États-Unis d'Amérique. Celui-ci informera chacune des Parties du dépôt de chaque instrument d'accession.

Article 11

Ce Traité sera ratifié et ses dispositions seront appliquées par les Parties conformément à leurs règles constitutionnelles respectives. Les instruments de ratification seront déposés aussitôt que possible auprès du Gouvernement des États-Unis d'Amérique qui informera tous les autres signataires du dépôt de chaque instrument de ratification. Le Traité entrera en vigueur entre les États qui l'ont ratifié dès que les ratifications de la majorité des signataires, y compris celles de la Belgique, du Canada, des États-Unis, de la France, du Luxembourg, des Pays Bas, et du Royaume-Uni, auront été déposées et entrera en application à l'égard des autres signataires le jour du dépôt de leur ratification.

Article 12

Après que le Traité aura été en vigueur pendant dix ans, ou à toute date ultérieure, les Parties se consulteront, à la demande de l'une d'elles, en vue de reviser le Traité, en prenant en considération les facteurs affectant à ce moment la paix et la sécurité dans la région de l'Atlantique-Nord, y compris le développement des arrangements tant universels que régionaux conclus conformément à la Charte des Nations Unies pour le maintien de la paix et de la sécurité internationales.

Article 13

Après que le Traité aura été en vigueur pendant vingt ans, toute Partie pourra mettre fin au Traité en ce qui la concerne un an après avoir avisé de sa dénonciation le Gouvernement des États-Unis d'Amérique, qui informera les Gouvernements des autres Parties du dépôt de chaque instrument de dénonciation.

Article 14

Ce Traité, dont les textes français et anglais font également foi, sera déposé dans les Archives du Gouvernement des États-Unis d'Amérique. Des copies certifiées conformes seront transmises par celui-ci aux Gouvernements des autres États signataires.

En foi de quoi, les Plénipotentiaires ci-dessous désignés ont signé le présent Traité.

Fait à Washington le .....avril 1949.

APPROVAL OF PRINCIPLE

Honourable senators, in tabling this document I desire to give notice that on Monday next I purpose asking the Senate to consider and agree to the following resolution:

That it is expedient that the Houses of Parliament do approve the following resolution; and be it therefore resolved:

1. That this house declares anew its support of the United Nations as the world organization established to maintain international peace and security and to promote the economic and social advancement of all peoples, and reaffirms its faith in the principles and purposes of the charter of the United Nations;

2. That this house recognizes that the conclusion, among states of the North Atlantic Area, of a treaty within the meaning of Article 51 of the Charter is, in present circumstances, of vital importance for the protection of Canada, the preservation of peace, and the development of political, social and economic co-operation among North Atlantic democracies;

3. That this house agrees that Canada should be represented at this conference, and that the representatives of Canada at the conference should use their best endeavour to assist in the completion of an acceptable treaty based on the proposed text as tabled on March 18th.

4. That any such treaty should, before ratification, be submitted to the Houses of Parliament for approval.

Right Hon. Mr. Mackenzie: Honourable senators, may I ask the honourable leader a question? Will the resolution of which he has given notice with respect to the multilateral treaty—which I think is a great triumph for democracy—be moved concurrently in the other house, and will its passage constitute the ratification by Canada of the terms of the treaty?

Hon. Mr. Robertson: This resolution is identical with the one before the other house, except that under our rules we have eliminated the preamble. Its adoption does not constitute final ratification of the treaty. As provided in paragraph 4 of the resolution, final ratification will take place only after this treaty, or some similar agreement, has been signed. What is now asked is approval by this house of the general idea that Canada be represented in the final ratification. That must come, as in all treaties, through ratification by parliament.

Hon. Mr. Roebuck: Honourable senators, my compliments to the honourable senator from Sorel (Hon. Mr. David) and all other French members of this chamber. May I ask whether the French text has been tabled along with the English text?

Hon. Mr. Robertson: The document tabled contains both the English and French versions of the treaty, and there is now a copy of it in the box of each honourable senator. Further, I have asked that the English and French editions of the text be incorporated in *Hansard*.

DIVORCE BILLS

THIRD READING

Hon. Mr. Aseltine, Chairman of the Standing Committee on Divorce, moved the third reading of the following bills:

Bill R-2, an Act for the relief of Gordon Aylmer Thistle Shirres.

Bill S-2, an Act for the relief of Walter Jasper Blake.

Bill T-2, an Act for the relief of Margaret Murray McKinnon Trenholm.

Bill U-2, an Act for the relief of Walter Wilson McBroom.

Bill V-2, an Act for the relief of Mabel Florence Dunk Wright.

Bill W-2, an Act for the relief of Thomas Somerville.

Bill X-2, an Act for the relief of Joseph Wilfrid Leon Desrosiers.

Bill Y-2, an Act for the relief of June Lucille Odell Woolnough.

Bill Z-2, an Act for the relief of Christopher Edmond Cobham.

Bill A-3, an Act for the relief of Jack Zelinsky.

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

SPEECH FROM THE THRONE

DEBATE POSTPONED

On the Order:

Resuming the adjourned debate on the motion of the honourable senator Farquhar, seconded by the honourable senator Comeau, that an humble Address be presented to His Excellency the Governor General for the gracious Speech which he has been pleased to deliver to both Houses of Parliament.

Hon. Mr. Roebuck: Stand!

Hon. Mr. Robertson: Honourable senators, I have spoken with the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) and have indicated that I have no objection to the order being allowed to stand. It is my hope, however, that any honourable senator who wishes to take part in the debate will make whatever arrangements are necessary to complete the debate early next week. The Address has been adopted in the other place, and while there is perhaps no immediate urgency, for its adoption by the Senate, the volume of work that may reach this house next week makes an early completion of this debate desirable.

Hon. Mr. Roebuck: I shall be prepared to proceed on Monday next.

ADJOURNMENT

Hon. Mr. Robertson: Honourable senators, I move that when the Senate adjourns today it do stand adjourned until Monday next at 8 o'clock in the evening.

The motion was agreed to.

The Senate adjourned until Monday, March 21, at 8 p.m.

THE SENATE

Monday, March 21, 1949

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

Prayers and proceedings.

TOURIST TRAFFIC

REPORT OF COMMITTEE

Hon. Mr. Buchanan presented and moved concurrence in the third report of the Standing Committee on Tourist Traffic, as follows:

Your committee recommend that it be authorized to print 800 copies in English and 200 copies in French of its proceedings, and that rule 100 be suspended in relation to the said printing.

The motion was agreed to.

PIPE LINES BILL

FIRST READING

Hon. Mr. Copp presented Bill Z-3, an Act respecting Oil or Gas Pipe Lines.

The bill was read the first time.

DIVORCE BILLS

THIRD READINGS

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

Bill B-3, an Act for the relief of Morna Elsa Kott.

Bill C-3, an Act for the relief of Doris Christina Meldrum Franklin.

Bill D-3, an Act for the relief of Francis Thomas Lariviere.

Bill E-3, an Act for the relief of Maurice Abraham Rodier.

Bill F-3, an Act for the relief of Liselotte Karola Roer Goode.

Bill G-3, an Act for the relief of Albert Labreche.

Bill H-3, an Act for the relief of Bessie Drinkwater Jackson.

Bill I-3, an Act for the relief of Bessie Shafer Cohen.

Bill J-3, an Act for the relief of Ludmila Mach Morawetz.

Bill K-3, an Act for the relief of Ernest Cecil George Thackway.

Bill L-3, an Act for the relief of May Garnet Greene Lofting.

Bill M-3, an Act for the relief of Henry John Bobinski.

Bill N-3, an Act for the relief of Mary Eileen Birks Moorhouse.

Bill O-3, an Act for the relief of Florence Ruby Robbins Cumby.

Bill P-3, an Act for the relief of Kathleen Elizabeth Flookes Kerr.

Bill Q-3, an Act for the relief of Berthe Marie Madeleine Brunet Egar.

Bill R-3, an Act for the relief of Mary Alice Eva Rivard Sharkey.

Bill S-3, an Act for the relief of Evelyn Florence Brigden Piper.

Bill T-3, an Act for the relief of Beatrice Violet Hudson Hineson.

Bill U-3, an Act for the relief of Fernand Dupuis.

Bill V-3, an Act for the relief of Frances Strakosch Alexander.

Bill W-3, an Act for the relief of Peonie Taub Joseph.

Bill X-3, an Act for the relief of Doris Mabel Garwood Cunningham Watt.

Bill Y-3, an Act for the relief of Marion Dorothy Hill Parker Jeffreys.

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

SPEECH FROM THE THRONE

ADDRESS IN REPLY

The Senate resumed from Thursday, March 17, consideration of His Excellency the Governor General's speech at the opening of the session, and the motion of Hon. Mr. Farquhar for an address in reply thereto.

Hon. Arthur W. Roebuck: Honourable senators, I suppose I should commence in the usual way by paying my compliments to the mover (Hon. Mr. Farquhar) and the seconder (Hon. Mr. Comeau) of the resolution upon which we have the privilege of making these addresses. In so doing I am following a time-honoured—and perhaps too much honoured—custom, though in this case it is highly fitting. May I include in my acknowledgments at least one other participant in this debate, the honourable senator from Sorel (Hon. Mr. David), to whose eloquent defence of the French language and customs we listened with the greatest of pleasure a few days ago.

Some Hon. Senators: Hear, hear.

Hon. Mr. Roebuck: May I take this opportunity of assuring the honourable gentleman, and all others of the same racial origin in this chamber, that we of British origin are just as jealous of our liberties as they are, and that we desire our French Canadian fellow citizens to feel as secure and comfortable in their liberties as we do in ours.

Some Hon. Senators: Hear, hear.

Hon. Mr. Roebuck: Nor do I differ particularly with the honourable gentleman in his denunciation of communism. I was recently in Berlin, and I can assure him that I have no use for the communism of the East, whatever I may think of the landlordism of the West. I merely pause to sound a note of gentle warning. It is very easy to pay lip service to liberty while we advocate measures

which in their final effect lead to autocracy. It would be the easiest thing in the world for us in this chamber unanimously to ban communism. It would be a very easy thing indeed for the government of this country to have passed through both houses of parliament a bill banning communism—and I do not doubt that we would be applauded for supporting that measure. But what should interest us is final effect. What would be the final effect of driving communism under ground?

Hon. Mr. David: It is under ground already.

Hon. Mr. Roebuck: No, it is not under ground. Communists make open addresses now: we know what they say. But what would be the effect of driving communism under ground and arraying on its side the generous but sometimes ill-informed impulses of youth, which is always on the side of the under dog. As we all remember, communism was at one time banned in Russia, and the ban was enforced with a ruthlessness of which we are not capable; but it does not seem to have been very successful.

At one time the Christian religion was banned. Let us not forget the saying heard from our childhood, that the blood of the martyrs is the seed of the church. I have long since lost confidence in the policeman's club as a means of meeting an intellectual error.

I had not intended taking part in this debate, and I would not have moved the adjournment on Friday last had it not been for—as it appeared to me—the provocative address delivered by the honourable senator from Kingston (Hon. Mr. Davies) on the subject of family allowances. He made an attack on this humanitarian Liberal legislation, and I could not allow it to pass without challenge. He said that he was opposed to the scheme of family allowances when it was first discussed, because he felt that it would help the thriftless and penalize the thrifty. Well, in a contest between the thriftless and thrifty we are all, of course, on the side of the thrifty; but do you not think it is going rather too far to imply that those who are helped by family allowances are the thriftless and that the penalized are the thrifty?

Family allowances are given to all fathers and mothers with children under sixteen years of age. The suggestion that these parents are the thriftless in our community is so unworthy that I do not believe the honourable senator from Kingston meant what he said. It is as untrue to say that all parents are thriftless as it is to say that all thriftless are parents—or even, perchance, that there is a larger proportion of thriftless among those who are parents. I note that my friends across the chamber are smiling. It is quite true that there are those who are too stingy to have children, but I do not know why we should dignify such people by characterizing them as thrifty. It is also true that, by and large, there is no class in the community which spends its resources more frugally, wisely and unselfishly than those who bear the responsibility of children. The honourable gentleman says that family allowances penalize the thrifty, meaning thereby that those who have no children, and therefore draw no benefits, are the thrifty.

Some Hon. Senators: No, no.

Hon. Mr. Horner: He did not mean that at all.

Hon. Mr. Roebuck: That is what he said.

Hon. Mr. Haig: My friend's statement is not correct. I apologize for interrupting him, but he is wrong. I shall have an opportunity to speak later, but I just wish to point out to my friend from Toronto-Trinity that the fact is this: those whose income is above a certain level have to pay back the money received, and much more; and everyone with children is compelled to take it.

Hon. Mr. Roebuck: This question has been given a good deal of publicity, otherwise I would have let the matter pass without challenge. My honourable friend from Winnipeg (Hon. Mr. Haig) will have an opportunity to reply, and I have no doubt he will take advantage of it. I say that the honourable gentleman from Kingston said it would penalize the thrifty, and that it penalizes those who have no children and therefore draw no allowance. I think that was the meaning that was conveyed to the public at large, and that is the meaning I drew from his remarks.

It is just not true that those without minor children are any more thrifty than those with them; the very reverse is the fact. We are told that 84 per cent of the children in Canada are dependent on only 19 per cent of the gainfully employed. Therefore, the burden of raising the next generation of Canadians falls upon one-fifth of our working population. This being so, is it not rather presumptuous for anyone in the four-fifths class—to which most of us in this chamber belong—and who therefore is not now contributing to Canada's future population, to talk of thriftlessness on the part of those who are contributing? On the other hand, shall we whose nightly rest is undisturbed begrudge some financial assistance to those who are bearing the entire cost, inconvenience and responsibility of perpetuating the Canadian nation?

The honourable senator said that he was going to vote for the broadening of the scope

of this legislation which has been forecast in the Speech from the Throne; yet he wants to know where all this "paternalism" is going to end. Why vote for a measure which one disapproves of to the point of damning it as "paternalism". The honourable senator has evidently been keeping bad company, because the policy of the Conservatives—as was demonstrated a few moments ago, when the leader of the Conservative party in this house rushed to the support of the honourable senator from Kingston (Hon. Mr. Davies)—is to vote for the measure while they do everything that they dare to destroy it.

It is quite correct, of course, to say that family allowances are paternalism, for the motive springs from the paternal solicitude of the men and women of this generation for the welfare of that generation which shortly will succeed us.

The honourable member wanted to know—I quote his words—"Why talk so much about social justice in these times of abounding prosperity"? This is indeed a period of comparative prosperity; but will the honourable senator assure me that the prosperity of which he speaks extends to everyone in Canada in the ample measure which he himself has enjoyed? The research department of the National Liberal Federation informs me that average real wages in Canada have advanced since 1939 by only 15 per cent.

Hon. Mr. Crerar: That is not right.

Hon. Mr. Roebuck: Oh, yes; let the honourable senator listen to my words. I said "real wages". It is true that in Canada today more money is paid and more people are working than ever before. But what counts in the kitchen is what the wages will buy; and the vital truth is that real wages, that is to say the buying power of the wages which are paid, have increased since 1939 by only 15 per cent. I state that on the authority I have quoted, and which I believe to be reliable. I believe there are some who will deny that the advance is even that much. In listening to the housewife, as I have done in the immediate past, I have found nothing to encourage me to think that it is any less difficult today than it was in 1939 to supply a household with the necessaries of life.

But for the paternalism of this government in sustaining rent control, that meagre 15 per cent advance in wages would long since have disappeared into the pockets of the owning classes. Will anyone have the hardihood to tell me that rents and profits have not advanced much more than 15 per cent; very much more than real wages; that is to say, wages considered in the light of what they buy?

I made some attempt to discover the approximate level of wages in Canada today. I admit, of course, that in terms of money wages are higher and are paid to more people than ever before in our history. I learned from the Bureau of Statistics that, on the basis of total wages and salaries received by persons employed in nine leading industrial groups including manufacturing, logging, mining, communications, construction, maintenance, trade, finance, and such specified services as hotels and restaurants and laundries and dry cleaning, but exclusive of domestic service, government service and some related groups—the per capita wage or salary for the week ended December 1, 1948, was $42.11: last year it was $38.25. Of course, as we know, while there are some who get more, there are others who get less. A weekly wage of $42 and an annual average of about $2,000 in these leading industries represents a pretty fair tribute to our economy, and one for which, regarding the position of many other nations, we have no reason to apologize. But what I am trying to do is to survey the situation in so far as this land of ours is concerned. For everyone who draws $3,000 a year there is someone who draws only $1,000; for everyone who draws $10,000 there are eight who draw but $1,000. So in considering this general average, do not forget that there is the bottom as well as the top. I found that in manufacturing, which is a very important industry in Canada, the average wage on December 1, 1948, was $43.72. Money is falling, prices have been rising, and last year the average wage in manufacturing was $39.25. On the other hand in such businesses as laundry and dry cleaning, hotels and restaurants, the average wage for the week ending December 1, 1948, was $27.23. Of course, women are employed in considerable numbers in these businesses.

Hon. Mrs. Wilson: Is that a justification?

Hon. Mr. Roebuck: I am stating a fact; it is far from a justification. I do not think anyone will deny that in this country women are paid less than men in the same jobs.

Hon. Mr. McKeen: In the Senate?

Hon. Mr. Roebuck: Not in the Senate. I think that is a fair summary of the over-all wage situation in Canada. Fortunately there are the well-paid; unfortunately there are the low-paid. I was able to discover something which those from the West well know. A census report of the three prairie provinces made for the year ending 1946 shows—the figures of the decennial census made in 1941 are too much out of date to serve as a guide—that as many as 34,614 persons in Manitoba, Saskatchewan and Alberta were

paid less than $450 per annum and that 82,570 were paid between $450 and $949.

Hon. Mr. Horner: They got by with the baby bonus.

Hon. Mr. Roebuck: I hope so. It helped a great deal. In these provinces 148,349 persons were paid salaries between $950 and $1,949. Let me recapitulate. In the two divisions that I have mentioned, 117,184 persons received up to $949, while the remainder received between $950 and nearly $2,000. Honourable senators can thus see the figures for the underpaid numbers as well as those for the well paid.

Hon. Mr. Lambert: May I ask the honourable senator a question about the 34,000 receiving an annual wage of something like $440?

Hon. Mr. Roebuck: Less than $450.

Hon. Mr. Lambert: Yes. Would they be in the category of farm labourers? Is there any particular designation given to the category into which they fall?

Hon. Mr. Roebuck: No; I was given no divisions at all. The figures include all those in the three prairie provinces that were paid the wages I have mentioned.

Hon. Mr. Wood: Some of them have their board paid.

Hon. Mr. Dupuis: Would they be part-time workers?

Hon. Mr. Roebuck: They were not so described to me. The figures come from the Statistics Branch of the Department of Trade and Commerce.

Hon. Mr. Davies: May I ask my honourable friend a question? Does he think that in making a comparison of today it is fair to quote wages of two or more years ago?

Hon. Mr. Roebuck: Of course, if you are going to quote wages at all you must give the latest figures available. There are some recent figures available from the taxation statistics of the Department of National Revenue. From these figures I have no hesitation in estimating that there are a million wage-earners in Canada who earned $1,000 or less in 1947. One can draw that inference from the income tax returns.

Honourable fellow-members, one must bear in mind that there are many people in Canada to whom family allowances are little short of a godsend. Let me give the corollary of this. Those who are primarily concerned in business activity and who squawk about taxes, as I do myself, should not overlook the fact that by June, 1949, the Liberal government under this policy of family allowances will have increased the purchasing power of Canadian mothers, by $1 billion.

Hon. Mr. Crerar: May I ask a question on that point? It is quite true that a billion dollars has been paid out in family allowances. That amount came out of the taxpayers pockets. If, for the sake of argument, that money had been left in the taxpayers' pockets, would it not still have constituted purchasing power?

Hon. Mr. Roebuck: Not necessarily.

Hon. Mr. Crerar: My honourable friend cannot make the argument that this creates a billion dollars of new purchasing power.

Hon. Mr. Roebuck: It may sound strange to the ears of my honourable friend, but it does. It puts into the hands of those who are expending money on the necessities of life other money, which plays its part—or perhaps it does—in ownership, in capital and in big business.

Hon. Mr. Haig: I happen to know a young man in Winnipeg who has three children whose ages are seven, five and three. His income is approximately $6,000 a year. His wife draws $15 a month in family allowances. When it comes to his income tax return, instead of an exemption of $300 for each child, he is allowed only $100 for each child. He loses money by accepting family allowances. Is that true?

Hon. Mr. Roebuck: I find it difficult to be sympathetic towards him.

Hon. Mr. Haig: Is it true?

Hon. Mr. Roebuck: It is true that he pays more taxes when he is given family allowances. It is true in thousands of cases, and it should be so.

Honourable senators, I submit that the placing of a quarter of a billion dollars annually for the last four years in the hands of those who actually purchase food supplies and other necessities of life, has helped to maintain business and keep money circulating instead of lying in banks or swelling the value of assets. This is a partial explanation of the abounding prosperity and the buoyant revenues about which we have heard.

The total cost of family allowances for the fiscal year ending the 31st of March, 1948, was $264,073,281, and as of the end of February last the benefits of that money were extended to 1,724,179 families and 3,873,268 children, the average payment being $13.25 per family, or $5.90 per child per month.

The cost of administration was extremely low. When the Family Allowances bill was first brought in, it was estimated that the

cost of administration would be somewhere around 3 per cent of the amount paid out per year. But the actual figures have been much more moderate. The annual report for 1948 shows that the entire administrative costs of all the departments involved totalled less than $4 million, which is approximately one and a half per cent of the amount paid out in family allowances for that year. In other words, for every $100 which we provided in family allowance cheques, $98.50 found its way into the pockets of the intended beneficiaries.

And I submit to you, honourable senators, that that money—at least the great bulk of it—was well and faithfully used by those who received it. During the last ten months, from April 1948 to January 1949, inclusive, 1,092 complaints were received by the department alleging misuse of family allowance money. But, as I have said, the total number of families to whom family allowances were paid was 1,724,179, so the average of complaints was one for every 1,578 families. One complaint per thousand families would be pretty good, but this record is one half as good again. Every complaint was investigated and most, though not all, were discovered to be unfounded. It was found necessary to change the payee in 216 instances only, or in one case out of every 8,000. According to the latest figures, at the end of January, 1949, out of 1,700,000 monthly payments only 475 were made to third parties, by which I mean to someone other than parents concerned in each of these cases.

According to a report prepared in the Family Allowances Branch of the Department of Health and Welfare, the very best use is being made of this money. Such information can at best be imperfect and sketchy, but it is much more complete and reliable than that possessed by the critics. The department's conclusions are based on three sources: (a) three research studies—one of an urban group in Montreal, one of three Western farm areas in Saskatchewan and Alberta, and one of five communities in Gaspé, Quebec; (b) reports from family allowances field workers, and (c) unsolicited letters from payees, school officials and welfare workers.

In the opinion of departmental officials this information indicates that the family allowance money has been used for the following purposes:

Firstly, more adequate clothing. Store managers report increased demand for children's clothing immediately following the monthly issue of family allowance cheques.

Secondly, a substantial improvement in diet, especially in the extra consumption of milk and fruit. This is particularly noticeable in the low-income group.

Thirdly, an extension of medical, dental and optical services. Parents' statements to this effect are confirmed by a drop in requests for such services from public and private benevolent sources.

Fourthly, extension of educational and recreational opportunities. School books, school transportation, summer camps, youth organizations and sporting equipment are all being purchased and used more freely than before.

Finally, it is indicated that among Indians and Eskimos there has been a marked increase in the purchase of vitamin-enriched flour, milk powder, tomatoes and pablum.

Now, to me all that seems very satisfactory. It is the best information we have; information that comes from widely separated sources and from people who should know. But the senator from Kingston is worried about "just what effect all this government generosity is going to have on the rising generation."

Hon. Mr. Davies: Honourable senators, may I interrupt the honourable gentleman from Toronto-Trinity? He has been quoting me a good deal, and I should like to be quoted correctly. He claims that I said family allowances would penalize the thrifty and benefit the thriftless. Here is what I actually did say, as found at page 186 of Hansard:

> When family allowances were first talked about, I was opposed to them, not because I begrudged the help to needy families, but because I felt that they would help the thriftless and penalize the thrifty. However, I listened to the debate in the other place and also in this house, and I was won over to support the measure. I am still in favour of it, but I think we have gone far enough.

I would ask the honourable senator from Toronto-Trinity to keep to what I actually did say and not try to make me out as being opposed to family allowances.

Hon. Mr. Roebuck: My honourable friend said he was won over to vote for family allowances, but he took every whack at them that was in his bag of tricks, and I do not think I misquoted him in the slightest when I pointed out that he said he was originally opposed to them because he felt they would help the thriftless and penalize the thrifty.

Hon. Mr. Davies: Did my honourable friend use the word "originally"?

Hon. Mr. Roebuck: I certainly did use that word. My honourable friend's sentiments were publicized in the printed report of his speech, and it is probably because of the publicity given to that speech that I am taking the trouble of replying to it and challenging its general effect as well as some of its particular words. I have said

that the honourable senator was worried. These are his words:

> I seriously wonder just what effect all this government generosity is going to have on the rising generation.

He does not refer to the effect of the generosity upon those who pay for it, but I presume that was in his mind. The sum of $264 million per annum coming from 13 million people amounts to approximately $19 each; computing this on a monthly basis, it comes to $1.58 per capita per month. I do not suppose that we are in any great danger of becoming a generous bankrupt. What appears to concern my friend is the demoralizing effect that the payment to mamma of $5.90 per child per month, is going to have upon the character of little Johnny and his sister Sue. My honourable friend said that he did not want to kill initiative and ambition in the rising generation. Neither do we. He brought the matter home to us in this house by asking this question:

> How many of those listening to me today would have been senators if, when they were young, there had been family allowances?

Well, that question is not easy to answer.

Hon. Mr. Howard: That is the $64 question.

Hon. Mr. Roebuck: But would it not be more sensible if I reversed it and asked how many of our generation are not senators today because, when we were young, there were no family allowances? I fancy that question is just as sensible as the one my friend asked. But neither he nor I can give the answer to such a hypothetical proposition.

I will tell the senator from Kingston why the senator from Toronto-Trinity is here today. In the first place, I owe my appointment to the former Prime Minister, who took the responsibility of recommending my name to the Government of Canada—a gesture for which I shall be eternally grateful. But that is a secondary reason. The primary reason for my being here as a senator today is that when I was young my father had the ability and the wherewithal to buy a cow, which he himself milked for his family before and after office hours. Further, I am here because I had a mother who expended her usually scanty resources in the purchase of food and clothing for her children, with a solicitude and care of which only mothers are capable. Viewing a seat in the senate as a symbol of success—which may or may not be the fact—I take it that the honourable senator attributes his own scaling of the heights to child labour exacted of him after school. That fiction may be pleasing to his ego, but let him not fool himself in the presence of others. The foundation of his ability to work, to strive, to scale the heights and to acquire was laid, not by himself at all, but by his parents in his early youth; and the bricks and mortar with which they builded were warm clothing, shoes, stockings, suits and underwear, plus good nourishing food—bread, potatoes and rich white milk of the cow. I sometimes wonder what the farmers buy that is half so precious as the milk they sell. Semi-starvation and child labour is not the medicine which made the British Empire great, but rather the red blood-building roast beef of old England.

Hon. Mr. Howard: Has my friend forgotten about margarine?

Hon. Mr. Roebuck: Margarine also would help to build the fibres of which I speak.

Hon. Mr. Beaubien: Then you would not have the cow.

Hon. Mr. Roebuck: Margarine is made from fats raised on the farmers fields; the main ingredient is milk.

Mr. Churchill, the great builder of the Empire in our generation, said this:

> I do not agree with those who say that every man must look after himself and that the intervention by the state will be fatal to his self-reliance, his foresight and his thrift. The mass of the labouring poor have known that unless they make provision for their old age, they would perish miserably in the workhouse. Yet they have made no provision, for they have never been able to make such provision. It is a great mistake to suppose that thrift is caused only by fear; it springs from hope as well as from fear; where there is no hope, be sure there will be no thrift.

I should like to quote from the American author, Mr. Thomas I. Woofter, in an article entitled "Children and Family Income", which appeared in a family bulletin of the United States Government of January 1945. Mr. Woofter said:

> Since most of these families have an extremely thin margin of security there tends to be a vicious circle in this segment of the population: children in large families with low income lack adequate opportunities for development and grow up to be disadvantaged parents of another disadvantaged generation.

That is what we in this country have endeavoured to avoid by this most beneficial, humanitarian and patriotic legislation.

I wish to quote again from the words of the senator from Kingston—What is the matter with the members of this chamber that they should smile at my reply to a speech made on the floor of this house? Are we a debating society, or do we have to accept the words of others without comment? The senator from Kingston is concerned because "mothers who are in receipt of family allowances will tell you quite frankly that their children do not have to work after school".

I say, God bless those mothers who would preserve for their children the time allotted for play. Is not the daily grind of school from nine in the morning till four in the afternoon, with an evening of homework, a sufficient task for any growing child? "Ask employers of labour", says the hon. senator, "men who want boys or girls for occasional work after school". Now, isn't that sad! I find it very difficult to be sympathetic to those estimable citizens who wish to rob the playgrounds for messengers to ride bicycles through dangerous streets delivering parcels for a pittance, or to sell newspapers on busy corners or sweep floors in factories. I say that if family allowances have made it impossible to use children in this manner I am strongly for family allowances.

The honourable senator quotes Lloyd George's saying, "It's awfully cold at the top." Oh, no, it is not. At the top you will find steam-heating, plush furniture and oriental rugs, and plenty to eat and drink. It is cold only at the bottom. At the top it is not the atmosphere that is cold, but rather some of the people who get there.

The honourable senator from Kingston (Hon. Mr. Davies) in the course of his speech asked, "Will the boys and girls of today have the same ambition and desire to achieve that was developed in people of past generations?" And he spoke of "sliding down the mountainside to the green and pleasant valleys." Well, I suppose a life of ease is always softening, but I wonder what they are doing in Kingston that makes the condition of people there so different from that of the people in my own town, where the boys and girls seem still to need an extra dollar. Is it not overdoing things to predict possible demoralization through such "luxury" as a mother might buy for her child with $5.90 per month? It may be a long time since any honourable senator here present bought a pair of shoes for a child, but I would say that $5.90 would not go far towards buying anything else after the shoes were paid for. To talk about corrupting or degrading the recipient of such a pittance, when that recipient is the mother of a child, seems to me to employ words without meaning.

I must also take issue with an honourable senator's humorous story about the Liberal party and the Conservative party scrapping for the Socialist pyjamas. The crux of the Socialist doctrine is its disregard of individual rights and its exaltation of the state. In the principle of family allowances there is not the faintest suggestion of the doctrines of Karl Marx; and I do not like to see the two parties impliedly crediting our Socialist friends with the principles of social service and child welfare. If my honourable friend will but think of it, he will agree with me, and probably regret, as I do, the implications of that story.

The address was adopted.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Tuesday, March 22, 1949

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

Prayers and routine proceedings.

BUSINESS OF THE SENATE

SUSPENSION OF RULES

Hon. Mr. Robertson: Honourable senators, several members of this house have asked me what our sitting dates are likely to be for the balance of the week. As honourable senators know, the other place is presently discussing measures to renew legislation, most of which will expire at midnight on Saturday of this week. To become law, these measures must be passed by this house and receive the Royal Assent. Therefore what will happen will depend upon what progress is made on these measures in the other place, the time of their arrival here, and when they will be disposed of in this house. About a week ago a motion was adopted in the other place to enable it to sit, if necessary, on Saturday of this week. Whether it will be possible to dispose of the pending measures in time to permit of Royal Assent before Friday night, remains to be seen.

I do not think there is anything I can add. But, as we are likely to be faced with the same situation which sometimes confronts us at the end of a session, when a supply bill arrives very shortly before the time set for Royal Assent, I am taking the precaution, in order that the house may have as much time as possible to deal with any legislation which may come before it, of giving notice of a motion for Thursday next:

That for the balance of the present month Rules 23, 24 and 63 be suspended in so far as they relate to public bills.

Hon. John T. Haig: I fully concur in the announcement of the honourable leader and the reason he has advanced in support of it. To go a step further: I hope, and shall continue to hope, that within the next two weeks we can dispose of all the legislation which needs our attention prior to the Easter recess. Undoubtedly the legislation which has to be dealt with by Saturday, and that portion which must be disposed of by the 31st, will be concluded within those periods; and the indications are that the other place will adjourn for practically three weeks. In this connection I suggest to the leader that the government ask the other place, with our concurrence, to provide interim supply covering, say, the first two months of the new fiscal year. I hope and believe that we shall be able to take a longer adjournment than the other place. Undoubtedly the budget debate will last at least two weeks, during which period this house will have nothing to do. For that reason and that reason only I would ask, particularly for the sake of those of us who come from the Maritimes and from the western provinces, that consideration be given to adjournment for a longer period.

Hon. Mr. Robertson: I find it difficult to foresee what the situation will be when the time for adjournment arrives. My own personal desire and aim has always been never to ask the Senate to sit only when there has been some business for it to do. Whether it will be possible to accede to the opposition leader's suggestion I cannot say at the moment. I shall do my best to ascertain whether what he proposes is feasible

Hon. Mr. Haig: Thank you.

Right Hon. Mr. Mackenzie: The honourable the leader gave notice of motion for the suspension of three rules. I have not these rules under my hand at the moment. Would he kindly indicate to the house the effect of the suspension?

Hon. Mr. Robertson: Our rules require 48 hours notice for the second reading of a bill and 24 hours notice for the third reading. Under the motion these rules would be suspended. I think also that the motion would suspend the rule which provides that Saturday is not a sitting day. As a practical instance of the need for suspending these rules I would refer to the control bills now before the other house. Suppose that on Thursday one or both of these bills came over here. First reading would be given at once, but under our rules, unless there was unanimous consent, second reading could not be given for 48 hours. That would make Saturday the earliest possible day for second reading; and third reading, which requires 24 hours notice, could not be given this week. Suspension of the rules is desired so that as soon as the bills have been read the first time we may proceed to second reading and, once that has been given, to third reading.

Right Hon. Mr. Mackenzie: Thank you.

STANDING COMMITTEES

ADDITIONS TO PERSONNEL

Hon. Mr. Robertson gave notice of the following motions:

(1) That the names of the Honourable Senators McDonald and Wood be added to the list of senators serving on the Standing Committee on Immigration and Labour.

(2) That the names of the Honourable Senators Fogo, MacLennan and Taylor be added to the list of senators serving on the Standing Committee on Banking and Commerce.

He said: At the first of the year, when our committees are struck, some difficulties have been experienced by the committees themselves and by the Whips in discovering the preferences of individual senators in relation to the committees on which they shall serve. We have tried to exercise our best judgment in that respect. Frequently seats on committees are kept vacant, and this enables me from time to time, either upon suggestion of honourable senators themselves or of committee chairmen who would like to have certain senators on their particular committees, to move that certain names be added. I always do my best to maintain a balance between the four geographical sections and to meet the preferences of the chairmen. Although it is a question whether or not this is possible, I again remind honourable senators that I am only too pleased to attempt to give effect to preferences of this kind.

TARIFFS AND TRADE

INQUIRY

On the Orders of the Day:

Hon. Mr. Roebuck: Honourable senators, before the Orders of the Day are proceeded with, may I address a request to the ministry? On the Order Paper there is a notice of motion for Thursday with respect to the general agreement on tariffs and trade. Would the ministry lay on the table an Order in Council which, I understand, was passed within the last few days, fixing the price of certain goods from Japan? Would the ministry also inform us what and how many price-fixings for tariff purposes there have been in recent times? I should like to have this information before the motion is moved.

Hon. Mr. Robertson: I shall be glad to accommodate my honourable friend, but may I suggest that he give me a notice in writing, so that I may know just what he requires? While it is true that the motion to which he refers is on the Order Paper for Thursday, I undertake, with the consent of the Senate, not to proceed with it until the information requested by my honourable friend is in his hands.

PRIVATE BILL

FIRST READING

Hon. Mr. Roebuck presented Bill A-4, an Act respecting Guaranty Trust Company of Canada.

The bill was read the first time.

LIVE STOCK PEDIGREE BILL

SECOND READING

Hon. Mr. Robertson moved the second reading of Bill P-2, an Act respecting the Incorporation of Pure-bred Live Stock Record Associations.

He said: Honourable senators, I have asked the honourable gentleman from Toronto to explain this bill.

Hon. Salter A. Hayden: Honourable senators, this bill, as its title discloses, deals with pure-bred live stock registration. There is in force at present a statute known as the Live Stock Pedigree Act, passed in 1932; and prior to that time, as far back as the year 1900, there were various other statutes dealing with the same subject-matter. The scheme of the present Act is in general outline the same as that of the bill. That is, it provides for the incorporation of associations representing a distinct breed of animals, or maybe a number of breeds in a species. By complying with the forms and requirements of the law every such association may, with the sanction of the minister, become incorporated as the association for a particular breed or breeds, and after incorporation it is the only association which may represent that breed or those breeds in Canada.

Again like the present Act, the bill provides for the affiliation of these associations into what is called Canadian National Live Stock Records, the governing body of which is known as the Canadian National Live Stock Record Board. There is also an administrative committee, known as the Canadian National Live Stock Record Committee. The board maintains records of the registrations of all animals represented by the various affiliated associations. In cases where a breed is not represented by an incorporated association, registration and transfer may be made through the Record Board at Ottawa.

As the bill before us in many respects follows the present Act, you may ask why is a new Act necessary. Well, humanity being what it is, and the desire to gain a place in the competitive showing of animals being strong, abuses have crept into the administration of associations. For instance, the by-laws of some associations are so broad that should the directors deem it necessary to discipline a member—though his alleged misconduct may have had no relation to the registration of animals—the associations have taken the power to refuse registration of the progeny of his animals. The department has felt that that power is a distortion and a

perversion of the purpose for which an authentic scheme of registration of pedigrees of pure-bred livestock was created.

Subsection 5 of section 6 of the bill provides specifically in relation to registration and transfer rights that:

> Notwithstanding anything in the by-laws of an association incorporated under this or any other Act mentioned in paragraph (b) of section two, no person shall be deprived of the right to register or transfer pure-bred live stock unless he has violated or is reasonably suspected by an association to have violated
>
> (a) a by-law of an association relating to eligibility for registration, establishment of production credentials or payment of fees,

It also refers to several other matters.

Certain practices have developed in the department which, while they may be sound and proper, require some legislative sanction. For instance, in granting incorporation to an association, the minister must satisfy himself that the association represents a fair cross-section of the particular breed of animals throughout Canada. In practice, the head of the department has been doing that, but the present Act provides no authority for such course of action. When a number of persons make a request for incorporation and satisfy the formalities laid down in the present Act, they are entitled to incorporation. There are a number of other particulars in which, based upon experience, the new bill seeks to provide a better set-up in the matter of incorporation and affiliation of associations, and in the maintaining of an authentic original record for use in the registration and transfer of pure-bred animals.

One point which, perhaps should come before the committee is that in order to re-establish the present Canadian National Live Stock Records and the Record Board under the new bill, the associations presently affiliated in such organization must renew their affiliation in accordance with its requirements of the new bill within a year of the date of its passage. No such special provision is made in relation to the incorporation of associations already in existence, but I understand the intention to be that any association now in existence, and having been incorporated under the present Act, or any earlier Act, shall have the same standing as an association incorporated after this bill becomes law. That situation may present some problems, one of which is taken care of by the restriction that no matter what an association may have in its by-laws, in certain respects its powers are limited. Whether that provision goes far enough is something that should be considered in committee. Should an association have in its by-laws provisions which in some respects are repugnant to the requirements of this bill, the committee might well consider asking that association to file new by-laws in conformity with the provisions of the new legislation as and when it comes into force. That is only a thought that I leave with honourable senators for consideration when the bill goes to committee.

I have touched generally, the high spots in the bill. It is not a complicated measure, and in many respects simplifies the provisions of the present Act. For instance, the penalties in the present Act are broad and a little complicated. The bill makes the penalty provisions simple and direct. The minimum fine has been reduced in each case, but the maximum is retained.

The bill provides for the repeal of the present Act upon the new legislation coming into force. It also makes section 1142 of the Criminal Code of Canada inapplicable, the reason being that section 1142 deals with summary convictions, which requires that the information be laid within six months of the offence. One readily can see that frauds in connection with the identification and pedigrees of animals might not be detected for two or three years, and that if prosecution was barred by the Criminal Code the penal sections of the legislation before us would be useless.

It is my intention, when the bill receives second reading, to move that it be referred to the Standing Committee on Natural Resources.

Hon. Mr. Paterson: May I ask the honourable senator to explain the definition clause, which says that " 'animal' includes a bird"?

Hon. Mr. Hayden: I suppose the meaning of "bird" is just as broad as the word signifies —any kind of bird that might be described as pure bred.

Hon. Mr. Horner: A person is pretty well forced to join one of the various breed associations, for if he does not his registration fees are much higher. I wonder if this will be altered? I have found that the fees of a person who did not wish to belong to an association were exorbitant; if he joined a breeder's association his fees were only about half as much.

Hon. Mr. Hayden: That is not dealt with specifically in the bill. The Canadian National Live Stock Records and the Record Board are an organization made up of associations that have affiliated. Its employees are paid by levies made on the various associations. The government also makes an annual grant. An application for registration of a pure-bred animal may be made directly to the Records Board at Ottawa or, if there is an association covering the particular breed,

as a matter of convenience the application may be filed with that association. The registration itself is made in one place only, Ottawa.

Under the proposed bill the minister or his representative will be a member of the Record Board, and must sign the certificate even if it has been vouched for in the regular way by those in charge of the records. I understand that each application is checked carefully in order that the board may be as sure as possible about the breed of the animal. As to cost, if you are a member of an association you have to pay your membership fees for the privilege of belonging to it. Each association has a number of functions, such as the promotion of exhibitions and a greater interest in its particular breed of animal, and the creation of a better market for it. The registration fees are fixed. If you are a member of an association I do not know just what that will mean in the matter of registration fees. That is something to be discussed in committee.

Hon. Mr. Horner: If a person has a large number of animals to register it pays him to join an association, but if he has only one or two animals to register, I think he should be able to apply to the Canadian National Live Stock Records office in Ottawa and secure registration for a reasonable fee.

Hon. Mr. Hayden: A person does not have to be a member of an association to make a registration.

Hon. Mr. Horner: I know that. But if he is not a member of an association he has to pay double the amount.

Hon. Mr. McDonald: I wonder if the honourable senator could tell this house if all the affiliated breeders' associations were in agreement with the changes made?

Hon. Mr. Hayden: My information from the departmental officials is that a conference of all the associations was held, and that the bill in its present form carries their approval.

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

REFERRED TO COMMITTEE

Hon. Mr. Hayden moved that the bill be referred to the Standing Committee on Natural Resources.

The motion was agreed to.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, March 23, 1949

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

Prayers and routine proceedings.

BUSINESS OF THE SENATE

Hon. Wishart McL. Robertson: Honourable senators, before we begin the business of the day I crave permission to make a brief statement. Contrary to my expectations of yesterday, both the emergency control bills were given third reading in the other house last night, and His Honour the Speaker now has a message from that house with these bills, which presently will be given first reading here. Then, if the Senate is agreeable, I should like to move second reading of both bills today, in order that we may consider them at once and thereby expedite our business. How long our discussion of them will take is of course a matter for honourable members to decide. Had these bills not come over today, I should have moved second reading of the Pipe Lines Bill, which is on the Order Paper, and I had asked the Honourable the Minister of Transport to explain the bill. But important though that measure is, the control bills are more urgent, and I am prepared to move their second reading and explain them this afternoon, if the house consents.

Hon. Mr. Haig: I am perfectly agreeable to the suggestion of the honourable leader, with the reservation that, should I or some other member of this house wish to adjourn the debate until tomorrow, no objection will be raised.

Right Hon. Mr. Mackenzie: Honourable senators, I was unable to hear the remarks of the honourable leader as well as I should have liked to hear them. Do I understand that this honourable house endorses the provisions of the Foreign Exchange Act without having seen it?

Hon. Mr. Robertson: May I explain the matter to my honourable friend?

Right Hon. Mr. Mackenzie: With deference, I wish to say that this house is entitled to complete information from the minister concerned, either before the Standing Committee on Banking and Commerce or in Committee of the Whole. I do not wish to have to vote in the dark on a measure which was strongly opposed in this chamber two years ago. We do not want to make this house a rubber stamp for the passing of legislation which should have been before us several weeks ago.

Hon. Mr. Robertson: If my honourable friend did not hear my remarks, I am quite willing to repeat them. I said that upon the measures being passed by the House of Commons and coming here His Honour the Speaker would indicate that a message had been received to that effect, whereupon the bills would automatically be given first reading. As honourable senators know, the bills in question were not amended in the other house. Copies of them have been distributed to honourable senators, and they should be on my friend's desk now. When the bills have received first reading, I propose to ask permission to proceed with second reading, whereupon I shall make an explanation of the measures. After they have been thoroughly discussed in principle, I shall then suggest that they be referred to the Standing Committee on Banking and Commerce, in order that we may hear the minister or anyone else who may be called. It is entirely up to honourable members how long this house shall deliberate on these measures, but I propose that we proceed to second reading today.

Right Hon. Mr. Mackenzie: May I ask a further question of the honourable leader? By adopting this procedure is my friend seeking to amend the standing rules of this house?

Hon. Mr. Haig: No.

Hon. Mr. Robertson: Yesterday I gave notice that on Thursday next I would move for the suspension of the standing rules which require that a certain time shall elapse between first, second and third readings. Of course, should any honourable senator decline to agree to that procedure, we cannot have second reading until tomorrow.

Hon. Mr. Haig: Friday.

Hon. Mr. Robertson: In any event, I am suggesting that, if the house agrees, we should proceed to second reading today.

Hon. Mr. Roebuck: Go ahead.

CONTINUATION OF TRANSITIONAL MEASURES BILL

FIRST READING

A message was received from the House of Commons with Bill 86, an Act to amend The Continuation of Transitional Measures Act, 1947.

The bill was read the first time.

SECOND READING

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

Hon. Mr. Robertson: With leave of the Senate, I now move the second reading of this bill.

Right Hon. Mr. Mackenzie: On a question of principle, Mr. Speaker, I must object.

The Hon. the Speaker: I will put the motion first.

Right Hon. Mr. Mackenzie: I would like to register my dissent.

The Hon. the Speaker: It is moved by Senator Robertson, seconded by Senator Copp that Bill No. 86, an Act to amend the Continuation of Transitional Measures Act, 1947, be now read the second time, with leave of the Senate.

Hon. Mr. Crerar: Are you objecting?

Right Hon. Mr. Mackenzie: Yes.

Hon Mr. Robertson: Then I cannot go ahead.

The Hon. the Speaker: Is it your pleasure to concur in this motion?

Some Hon. Senators: Carried!

Right Hon. Mr. Mackenzie: On division.

Hon. Mr. Howard: It cannot be carried on division.

The Hon. the Speaker: If there is not unanimous agreement, the second reading of the bill will go over until Friday.

Hon. Mr. Roebuck: May I make a plea for unanimous consent? As I understand it, consent would amount to this only, that we will hear the address made by the leader of the government in explanation of this bill, whereupon the honourable leader of the opposition may adjourn the debate until tomorrow. The sum total of this will be that we shall have whatever information the leader may give us, for consideration over night, instead of having it tomorrow and then immediately proceeding with the debate. We shall be setting the rules aside only to that extent. This course will not be a violation of the standing rules of the house, or a precedent for the handling of legislation in a peremptory manner. Its only purpose is to get an explanation one day earlier than we otherwise would get it. There is no substance in this deviation from the rules; it is a mere matter of convenience. Nobody stands for the rules more zealously than I do when they protect the privileges of the house, or is more ready to come to the rescue of the minority than I am. But I think in this instance we might well give the leader the opportunity which he asks to make his address, for it can be made today in no other way.

The Hon. the Speaker: Unless there is unanimous consent, second reading of the bill will go over until Friday.

Hon. Mr. Robertson: I would remind the right honourable senator from Vancouver Centre that if he insists on his point the effect will be to disrupt our schedule, which provides for the attendance of the minister to explain one of these bills, and that will leave me no alternative but to move adjournment of the house. The consequence will be a deplorable loss of time. I am bound by the rules, and of course I shall abide by them, but I would ask the right honourable senator to recognize what a serious delay will result. I am doing everything I can to provide an opportunity for the Senate to consider this subject, and I hope my right honourable friend will bear this fact in mind.

Right Hon. Mr. Mackenzie: May I say a word? I am in entire accord with what the leader of the government has said, but I must express, and as a member of this house I am entitled to express, my disappointment that these measures have come to this house so tardily and so late. One of them is of a controversial character, and it is only about five minutes ago that I saw on my desk for the first time the bill as passed in the other place. With all deference to the leader, I say that these bills should be on our desks at 11 o'clock in the morning, so that we may have some opportunity to look them over and dissect, analyse and, if necessary criticize them.

Honourable senators, I am speaking on a question of privilege relating to this house. We must not forget that we are the senior branch of parliament. I do not think it is fair to us that this legislation should be thrown at us and that we should be asked at practically the last moment to act as a rubber stamp for the implementation by March 31 of legislation which was bitterly criticized in this house two years by the honourable senator from Churchill (Hon. Mr. Crerar), the honourable senator from Ottawa (Hon. Mr. Lambert) and others. We should be given more time. I should like to have the Minister of Finance appear before either the Standing Committee on Banking and Commerce or Committee of the Whole, as honourable senators might decide. We should not pass an omnibus control bill in this house without first having a complete explanation.

Hon. Mr. Copp: That is why the leader wants to give second reading to the measure now; so that it can go to committee.

Right Hon. Mr. Mackenzie: I am not taking any dictation from the honourable senator from Westmorland (Hon. Mr. Copp). I am

as free born as he is, and I am just as much entitled to express my opinion in this house as he is—and I intend to express it when I am here. I know the rules of parliament as well as he does, possibly better.

Honourable senators, I am insisting on a very strong prerogative. The Senate is the senior body of the Parliament of Canada. This fact seems to be completely ignored by the thrusting into its lap at the last moment of an arbitrary measure against which certain arguments were made when it was last discussed here. I only want the humble privilege of hearing the Minister of Finance, either before the Banking and Commerce Committee or the Committee of the Whole, in the same manner as we previously heard the Minister of Transport.

Hon. Mr. Haig: I want to join with the sentiment expressed by the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck). No man is more sure of the rules of procedure than the leader of an opposition. In my twenty-five years of parliamentary life I have had the unfortunate experience of always being in opposition, and I know the rights and privileges of an opposition. I think that this house should have the very best possible information before it when making a decision. When the leader made his presentation, I deliberately stood up, as is my right, to speak on behalf of this side of the house. I asked whether, if I wished to do so, I could adjourn the debate. I requested this privilege because the leader of the government, with a majority behind him could force me to go on; but he said that I could adjourn the debate if I wanted to.

I quite appreciate the feeling of the honourable senator from Vancouver Centre (Right Hon. Mr. Mackenzie). He is a Scotsman and I am of Scotch descent, therefore I can understand his love of freedom and liberty. I also am familiar with the rights and prerogatives of this house, and I know that the government was criticized because it did not call the session before January 26. However, I also know that the freely elected democratic representatives in the other place had ample opportunity to discuss the merits of this legislation. There is no use denying that the Senate is not a political body and when we bring politics into this house we make a mistake. Let us, as common-sense men and women, decide things on their merits, agree whether they should be done or not in the interests of our country. I think the Minister of Finance should tell us what the Foreign Exchange Control Bill means, so that between now and tomorrow—or whenever my turn comes to speak—I shall understand the government's position. Secondly, I think the minister should tell us about the Transitional Measures Bill, because I want to ask him some questions about it before I speak. With his highland Scottish characteristics, I can understand my honourable friend from Vancouver Centre rebelling against any apparent attempt to curb freedom, but I must say quite candidly to him that I do not think there is any such attempt being made here. I would beg him as a fellow senator to allow the minister to make a statement on each of these bills, and then if he would like time to consider them, to let somebody else speak, after which he could adjourn the debate. I for one would support his motion to adjourn the debate.

I agree with the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck). I think he has exactly the right idea. Let us have the facts. I listened to the debates in another place, and so am familiar with the stand of the Conservatives, the C.C.F. and the government. That is not the information I want here. I want the facts to be given directly by the minister who has the responsibility of representing the government in this chamber. If I wish to speak after he finishes, well and good; if not, I can adjourn the debate. I would ask the right honourable gentleman to withdraw his objection in order that we may proceed with the debate as far as we wish this afternoon.

Right Hon. Mr. Mackenzie: I am in complete agreement with my honourable friend's suggestion. I am quite satisfied to have both bills considered today.

Hon. Mr. Robertson: That is all I was asking for, and if that is granted, I shall proceed.

Honourable senators, I should like to make a brief explanation of this bill. I did not think it would be necessary for me to speak on this matter at length, and I hope that what my remarks will lack in quantity they will make up in pertinence.

In 1947 this parliament passed the Continuation of Transitional Measures Act, which continued in force certain orders in council that had been continued to that time under the National Emergency Transitional Powers Act, 1945. The government thought it advisable to attach to the 1947 measure a schedule setting out the orders in council which were to be continued by it. At that time each individual order in council was reviewed by parliament and the necessary authorization for its continuance was given. The 1947 Act gave no authority for the amending of any orders in council or the passing of any new ones, but it did empower the Governor in Council to repeal such orders as he thought

fit. That Act was to continue in force for one year, and last year it was extended for another year. The extension proposed now is until March 31, 1950, or 60 days after the opening of the parliamentary session in that year, whichever is sooner.

The schedule to the Continuation of Transitional Measures Act, 1947 recited 50 orders in council. Since the passing of that Act all but twelve of these orders have been repealed by the governor in council. These twelve are as follows:

WARTIME PRICES AND TRADE BOARD

P.C. 8528—Wartime Prices and Trade Regulations.
P.C. 9029—Wartime Leasehold Regulations.
P.C. 7475—Regulations of Commodity Prices Stabilization Corporation.
P.C. 34/4433—Government Employees Compensation Act extended to Commodity Prices Stabilization Corporation Employees.
P.C. 3122—Consolidation of Supplementary Regulations.
P.C. 328—Canadian Sugar Stabilization Corporation.

DEPARTMENT OF JUSTICE

P.C. 4600—Authorizing appeals in cases involving breach of wartime regulations.
P.C. 6223—Providing for notice to the Attorneys General of Canada and of the provinces in certain cases.

DEPARTMENT OF RECONSTRUCTION AND SUPPLY

P.C. 1609—Construction materials regulations.
P.C. 3—Wartime Industries Control Regulations.
P.C. 245—Steel regulations.
P.C. 1997—Timber regulations.

On the memorandum that I have there is this note:

The amendments to these regulations as they appear in the schedule to the Continuation of Transitional Measures Act, 1947, being chapter 16, 11 George VI, will also be continued in effect.

If honourable members would like me to repeat the numbers of any of the orders in council mentioned, I shall be glad to do so.

Some Hon. Senators: No.

Hon. Mr. Robertson: I point out that these twelve orders in council have not been revoked. and that the government is now asking for their continuation.

For the convenience of honourable senators I would indicate that in this measure the twelve individual orders come under five headings. The first is "Regulations of the Wartime Prices and Trade Board". The amendment proposed in the bill before us would so reduce these regulations as to leave only powers that may be exercised in relation to price ceilings. The articles upon which price ceilings are sought to be maintained are as follows: Citrus fruits, imported canned citrus fruit juices, certain fresh vegetables, imported onions, certain fresh fruits including imported apples and imported grapes, domestic canned vegetables, imported canned vegetables, imported canned fruits and molasses.

Honourable senators will recall that under the original bill authority was granted to drop the regulations, but not to amend them. It will be noted that section 2 of the bill contemplates the amending of one of the existing orders in council. I shall speak further to that matter in a few minutes.

The second general classification is rental controls. It is proposed that these controls be continued on the basis that should any province wish to administer them it may do so, and the federal government will pay the cost of the first year's operations.

The third category is steel control. There is still a shortage of steel. We have been importing—with difficulty—thirty per cent of our needs, and the supplies still do not meet the demand.

The fourth is timber control. Certain low grades of lumber are not in good supply, and without control it is feared that Canada would be stripped of a domestic supply of high grade lumber.

The fifth field is priorities control. The purpose of this category is to protect the building industry in the matter of supplies for low-cost housing, which are not yet readily available; also, it is desired to protect the small user. Without these controls low-cost housing development might be seriously handicapped.

Those, honourable senators, are the five fields, as I understand them, covered by the twelve orders in council which are to be retained, and each of which in some respects refers to one or more of those five fields.

The bill, as honourable senators will note, contains two sections. Section 1 merely amends section 7 of the Transitional Powers Act by substituting "1950" for "1949", thus covering the extra year of operation. Section 2, to which I referred briefly, is desirable in that it amends certain regulations of the Wartime Prices and Trade Board, which though desirable need not be in as complete a form as they now appear.

As I have said with respect to the Transitional Powers Act, the governor in council has no power to amend the orders in council. The amendment in the bill is most easily explained by saying that if the bill is passed the only regulations remaining in effect under the Wartime Prices and Trade Board will be those relating to price ceilings. A hasty glance at the phraseology of section 2 would indicate to me that it removes the power regarding price mark-ups and that sort of detail. It deals only with price ceilings.

I do not think, honourable senators, that I can add much more to my explanation. I am sure that apart altogether from any general discussion of the principle, there is much to be said about the details of the specific application of the bill, and that in that respect honourable senators will wish to have more information than I am able to provide this afternoon. When the Senate in its wisdom gives second reading to the bill, I shall be happy to move that it be referred to the Standing Committee on Banking and Commerce, where I shall endeavour to have the minister and the appropriate officials to make any necessary explanation and to supplement my brief remarks this afternoon.

Hon. Mr. Crerar: May I ask a question? As I understand the explanation, the Act which we are asked to extend will, upon the passage of this bill, be confined to the administration of the twelve orders in council mentioned by my honourable friend, and will not confer any power to go beyond the provisions of those orders.

Hon. Mr. Robertson: Nor to amend; only to revoke.

Hon. John T. Haig: Honourable members, I do not propose to speak at length on this subject, because it is a problem we have with us whether we like it or not. Once a government embarks on a scheme of controls it is difficult for it to release them; they build up like a snowball and become harder and harder to get rid of.

Concerning the control of citrus fruits and similar products, I only wish to say that the same result could be obtained by tariff regulation. For instance, strawberries are allowed to come into this country until they are produced locally, and then the import is cut off. That has been the practice for many years, and I can see no serious difficulty about it.

May I say that we could deal with these controls and regulations much more easily if they were set out in separate bills? This is true especially of rental control, about which I shall speak specifically later on. As regards steel and construction materials, the question is not very debatable. I presume that some regulations are necessary. I am not familiar with the subject of timber control, but I see no reason why it should be continued; in fact there seems to be a surplus of timber on the market.

I am doubtful about the need for priorities controls. Experience in my province indicates that contractors object to them very seriously. For instance, the government under its powers has in effect closed up the cement trade in Winnipeg, where we have a big plant that this year is operating during the winter months for the first time. The small operator has no place to store cement, but those who have priorities buy large amounts for the construction of runways, for instance, at Rivers. But just as necessary is the building of houses, and for that purpose cement is not to be had. However, this is not a subject on which I am an authority, and I will say no more about it until we have the minister and the deputies before us for questioning.

I wish to deal somewhat more extensively with the subject of rental control. I am not now suggesting the repeal of control, although I did so when it was instituted, and still think that was the proper course to pursue. There should not have been any rental control at all, for, once applied, it is practically impossible to release it.

Consider the situation. The year 1941 was taken as the year of basic rent. Two years ago the government permitted landlords to increase rents by 10 per cent, provided they granted leases for not less than two years. It was expected at that time that by the end of two years rent control would have ceased. The idea was to permit tenants sufficient time to obtain houses of their own. But the two years have expired, and the control continues.

Further: the government decided that on and after January 1, 1947, rent controls should not apply to new buildings. Thereby they admitted for the first time that controls had affected building. It was to avoid the effects of their own policy that the government agreed to this release.

Hon. Mr. Hayden: When the honourable senator says that it "affected building," he means building for rental purposes?

Hon. Mr. Haig: Certainly. For buildings erected after January 1947 you can charge any rents you please.

Hon. Mr. Hayden: But the purpose was to encourage building for rental?

Hon. Mr. Haig: There is no question about that. I say the government's action was a clear admission that the policy of controls had prevented building for rental purposes.

Their next move was to provide that any house or apartment which became vacant should be no longer subject to controls. Let us see what that involves. The Bryce apartments in the city of Winnipeg contain twenty-three suites. Since the change of regulations came into effect last January, four or five suites have become vacant, not through any action of the landlord but because the tenants had been moved to Montreal, Vancouver, Toronto and elsewhere.

Hon. Mr. Mackenzie: With the result that rents have doubled in Vancouver.

Hon. Mr. Haig: They have not doubled in Winnipeg. As a matter of fact, in this case

rentals remained the same. Houses in my city which are now renting at from $50 to $75 a month are worth double that amount. This type of control does not help the ordinary person; it benefits the man who in 1941 was able to pay $75 to $85 a month for a house, who could well afford to buy it, and who meanwhile, for $75 a month occupies a house which, though formerly worth $9,000, is now worth $20,000. The tenants will tell you to your face, "You can't put me out. I am paying only $75, and if I owned the house it would represent a rental cost to me of $150 a month.' It is this class of tenant, and not the general public, whom these regulations benefit. Today the cost of building a house in Winnipeg is exactly twice as much as it was in 1941. I should say that the same statement applies to the whole of Canada. Yet rents are permitted to advance only 10 per cent, or, if heat is furnished, 15 per cent, although that extra 5 per cent will not begin to pay heating costs. Caretakers' wages have gone up, and the cost of coal and of central heating in my city has increased 25 per cent.

I insist that the classes who are getting the benefit of existing rent controls are not those for whom the controls were originally designed. The person who is paying $45 for an apartment is not getting very luxurious accommodation; yet, when suites in this category become vacant because the tenant is moved to some other city, the landlord can advance the rent to whatever figure he likes, and the man who is living in a house for which he pays a rental of $75 or $100 a month can stay there at that figure. I have in mind 262 Hartford street, in the city of Winnipeg; the tenant is paying, I believe, $77 per month; the house is worth $16,000 or $17,000. When this man first rented the place he had two children; they are no longer with him, and he and his wife are living by themselves in a house which would accommodate five people. On my street is a house occupied by only two people; formerly eight lived there. I believe that these regulations have operated to reduce the number of occupants per house in this country by about 75 per cent. If a personal reference will be pardoned, I will mention my own case. I own a house which my honourable friend from Churchill (Hon. Mr. Crerar) knows quite well: there used to be six children in it; today there are none, only myself and my good wife occupy it. But I could not get another house unless I were prepared to go out some distance and pay a very high price. I cannot allow other people to occupy the house, because I could not get them out. So there we are, two people, living in a home which would accommodate eight. There are dozens of similar cases in every city in Canada.

The common argument against decontrol is that landlords would jump the rents. Certainly they would, under existing conditions. Building costs have doubled, although many people cannot or do not want to admit the fact. I can take you to any city in Canada and show you that houses which in 1940 could be had for $8,000 are selling today for anywhere between $12,000 and $16,000, provided possession can be given. The other day a man walked into my office and said, "I understand a client of yours owns such and such a house". I said "Yes, he does". He said "I am prepared to pay $16,000 for it if you can give me possession". I said "I can't give you possession. The house is occupied by a man and his wife, and they will not get out. Do you want to buy it subject to occupancy when available?"

He said "I will give you $12,000 and take a chance". In other words, the owner must accept a loss of $4,000 because rental control is in force.

Who is helped by that kind of thing? It is the men and women who are quite capable of paying much more than they are now paying. The returned soldier who did not have a house when he came back from overseas does not benefit. Since March 1945, except for a five-month period, practically no renting occurred because as soon as a place was rented it came under control and the tenant could not be put out. I suggest to the government that it would have been much better to have put rent controls under a separate bill, setting out rights and privileges, and a basic rental above which the tenants could be moved out. Why should a house that is worth over $8,000 be placed under rent control? This control cannot help the ordinary person who wants to rent; it can only help the wealthy. who want to rent. Why not have some basic provision, and a time limit? I am perfectly sure that—and I say this in a political sense—if it were not that an election is to be held within the next six or eight months, this Act would have been dropped. Nearly every country in the world that has tried rent control has ultimately experienced a housing shortage. Both France and Austria, which imposed rental controls, had to build block after block of apartment buildings in an attempt to accommodate their people, and rental control is still in effect in France.

Canadians are willing to buy houses, and it is a good thing for a country, as well as for its people when families own their own homes. My honourable friend from Toronto-Trinity (Hon. Mr. Roebuck) talked about children the other day. I am not aware how

much he knows about children from practical experience, but I myself know a good deal. A house owned by the parents serves as an anchorage for the family. I have heard my grandchildren talk about "Dad's home" and "Mom's home", and that is a good thing; but rent control discourages home ownership.

I have nothing more to say about rent controls, but I should like this bill to be referred to the appropriate committee so that the Rentals Administrator can tell us what controls have been left on, and why. I should like him to explain why controls could not be removed on properties valued at more than, say $6,000, $8,000 or $10,000. I admit that the government made a tremendous step last fall when it provided that once a house became vacant it was freed from control. But that only helped in the case of the less valuable properties. Why should a home owner rent his house at half its value? What is the basis or justification for that?

Hon. Mr. Hushion: Does my honourable friend know of any landlord who is getting only half value for his house?

Hon. Mr. Haig: I am sure I do.

Hon. Mr. Hushion: I am sure you do not.

Hon. Mr. Haig: I know of dozens of cases.

Hon. Mr. Hushion: I should like to hear about them.

Hon. Mr. Haig: I may tell my honourable friend from Victoria (Hon. Mr. Hushion) that a house at 262 Harvard Avenue in Winnipeg is rented for, I believe, $76 a month. When it was first rented the selling price of the house was about $9,000. The other day a man offered $16,000 for it provided he could get possession, but his offer was $12,000 if he could not. That is a straight tax on the owner for the benefit of someone else. If all the people of Canada benefited I would have no objection. But they do not.

Hon. W. J. Hushion: Honourable senators, I come from a city where there are many tenants and landlords, and I cannot quite agree with the honourable leader of the opposition (Hon. Mr. Haig) when he says that rental controls should be released entirely.

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

Hon. Mr. Hushion: Yes, you did.

Hon. Mr. Haig: I did not say that. I said on the expensive houses.

Hon. Mr. Hushion: When you speak about expensive homes, it is a question of value. I have a home in Montreal for which I paid $7,500. I could sell it today for that amount or perhaps a little more. There is nothing extraordinary about that; it is to be expected. Today Canada is enjoying good times, and perhaps it is well for the country that people are anxious to buy houses, because in some cases landlords have been most unfair. I should like to see rent controls maintained so that tenants can go to sleep at night without wondering if "Mr. Landlord" will walk in the next morning and raise the rent $5 or $10. The only mistake we made was to allow landlords to increase the rent or to make a lease for two years. Let me say that as far as Montreal is concerned—and I presume it is the same in Winnipeg—tenants are paying top rents for housing accommodation, and I do not know of any landlord in Montreal who needs sympathy in any shape or form. Landlords are receiving the rent they expected to get when they built or bought their houses, and therefore they are getting fair value. The landlords are not suffering. Six months ago the rent of both my sister and my son was increased by 10 per cent, and they have to pay it.

I agree with the leader of the opposition that rent controls should have come under a separate bill, because this is not a question of steel, iron or other things of that sort. Humanity enters into the housing situation, and I think that controls should be continued until more and better houses are available.

Some Hon. Senators: Hear, hear.

Hon. T. A. Crerar: Honourable senators, as the leader of the government has said, this is a very short bill. Its purpose is to extend the Continuation of Transitional Measures Act for one year. As I understand it from the explanation given by the leader, the Transitional Measures Act originally covered approximately fifty orders in council passed under the War Measures Act. Those orders in council have now been reduced to a dozen; that is to say, almost forty of them no longer have any legislative effect whatever. This bill does not give power to the Governor in Council to amend any of the existing orders in council.

Hon. Mr. Haig: I understand that they can be reduced.

Hon. Mr. Crerar: I said amend. Amend has a different meaning than reduce. I was going to add that the only power the Governor in Council has with respect to the twelve orders now outstanding is to revoke them altogether. Some substantial progress is made here. The remaining orders in council cover rent control, steel control, timber control, citrus fruit controls and several others.

I think my colleagues in this house are sufficiently well acquainted with my attitude of mind on these matters to know that I do not like controls. During the war it was of course necessary for the purpose of the great job

in hand to regiment, control, restrict and regulate our people; but the war is over, and we should aim at moving as rapidly as possible out of this area of restrictions and controls back to the free air that we enjoyed before the war broke out. At the same time I do not agree with the strictures of my honourable friend the leader of the opposition (Hon. Mr. Haig) on rental control. There is no doubt whatever in my mind that under the rental control during and following the war very grave injustice was done to many individuals. As a matter of fact, if I may be pardoned a personal reference, I could cite an experience of my own.

Hon. Mr. Haig: Hear, hear.

Hon. Mr. Crerar: I had a tenant in my house in Winnipeg, and under the regulations I could not pry him out. If I had been able to get him out I could have sold the house for much more than I ultimately sold it for to the tenant. But I, like everyone else, have to acknowledge that a certain measure of inequity is inevitable in the operation of a control like this. The control has to be judged by the general good that it does for the people of the country as a whole, not by whether or not it results in suffering to certain individuals. On that basis I think the reasonable judgment must be that rental control was necessary. And it may be necessary yet.

I really do not think there is much to my honourable friend's point that separate statutes should have been introduced to cover each of these orders in council. We have developed the habit of passing laws very freely, and the enactments now on the statute books are almost mountainous.

As to steel control, I am not so sure. It may be necessary, and timber control may be necessary; but I quite expect that before another year goes by the orders in council authorizing these controls will be revoked. The control on citrus fruits is necessary for the time being because, under another measure which we shall be considering after this one—the Foreign Exchange Control Bill, of blessed memory—the governor in council restricted the importation of citrus fruits. If you restrict the importation of a commodity and the supply becomes too small to meet the needs or requirements of the people, the inevitable result will be a rise in price. In such circumstances there is probably some justification for the citrus fruits control.

Having said that, I now wish to register a protest against the sending of this measure over here within two or three days of the time that it must become law. Unless we pass the bill in the meantime, the Continuation of Transitional Measures Act will, as I understand it, cease to be law at midnight on Saturday.

Hon. Mr. Haig: That is right.

Hon. Mr. Crerar: In that event there would of course be many dislocations. When such controls as these are put into effect they cannot be removed on twenty-four hours' notice or even forty-eight hours' notice. So, as I say, I wish to register a protest against the sending of this measure to us at so late a time. I wholly agree with the view expressed by the right honourable gentleman from Vancouver Centre (Right Hon. Mr. Mackenzie). I am free to say that I do not think the government arranged its business very well for this session. We are required to consider these measures without having opportunity to examine them carefully and obtain full information from officials exercising the controls. If there had been more time we could have had the Rentals Administrator, the Timber Controller, the Food Controller and others before us in committee to explain the need for continuation of their respective controls. That, of course, will be impossible now.

I hope that when it meets parliament next year the government—and, honourable senators, I quite anticipate that the same government will meet parliament next year—

Hon. Mr. Haig: You are not anxious about that?

Hon. Mr. Crerar: I hope that the government in its wisdom will then give serious thought to letting this statute die, and will not again be asking us to continue it. By that time even rentals should be in a much better position.

Some Hon. Senators: Hear, hear.

Hon. Mr. Crerar: The rentals difficulty arose mainly from the fact that for four or five years during the war scarcely any houses were built in Canada. Of course, the necessary materials were not available. During that period we had a substantial increase in our population, and that, coupled with the almost complete suspension of house building, resulted in a very severe dearth of homes, and that, in my judgment, was mainly the justification for the rentals control. I close by repeating the hope that next year we shall not be asked to grant a further extension of this measure.

Hon. Iva C. Fallis: Honourable senators, I should like to say just a word arising out of a remark by the honourable senator from Churchill (Hon. Mr. Crerar). He said he disagrees with the contention that the order-in-council pertaining to rental controls should

be covered by a separate measure. I take a different view from that, and I should like to put it briefly to honourable senators.

For some years now, whenever an election has been held in communist-dominated countries of Europe or countries under dictatorship of any kind, it has been usual for people in Canada to say that the voters in those countries have no freedom of choice. Well, I ask honourable senators just to consider for one moment what our position is here. As members of parliament we are surely entitled to a free expression of opinion on any subject of legislation that comes before us.

Hon. Mr. Howard: Hear, hear.

Hon. Mrs. Fallis: I personally favour continuation of rentals control, but I do not favour continuation of the other controls mentioned. Yet what freedom of choice have I in the legislation brought before this house? I admit quite freely that it is smart politics to bring in legislation tied up in a bundle and say "You must vote for all or vote against all".

Hon. Mr. Roebuck: The honourable senator can move to amend the bill.

Hon. Mrs. Fallis: I understand that an attempt to amend it in this way in another place was ruled out of order.

Hon. Mr. Howard: That is right.

Hon. Mrs. Fallis: I have followed the matter very closely. I read all the *Hansard* reports of debates on this subject in another place, and the only reason which I saw given for denying to members of parliament freedom of choice as to these individual controls was stated by the Prime Minister, who said in essence that there was not time enough to have a separate bill for each control, with a debate on each subject. Well, if there is not time enough to debate the business before us, whose fault is it? It is not my fault. The government could have called this session of parliament immediately after New Year's Day. It knew that these emergency measures had to be considered before the 31st of March.

Hon. Mr. Robertson: Excuse me, it is within sixty days after parliament opens.

Hon. Mrs. Fallis: Yes, sixty days after parliament assembles. But the government knew these control measures had to be settled within this sixty-day period, that the debate on the Speech from the Throne, had to take place and that the admission of Newfoundland into confederation had to be considered. Now, what right has the government to say to us, as members of parliament, that there is not time to give full opportunity to vote on these control measures? I would be interested to know if there is any supporter of the government in this chamber who can justify the taking away from me, as an individual member, of the right and the freedom to cast my vote on any one particular piece of legislation. As it is, I cannot vote for the particular measure of which I am in favour, unless I vote the same way on those measures which I do not favour.

A parallel to this took place last session, when the government brought down two bills tied together. If I remember correctly, one dealt with the marketing of coarse grains and the other with the initial payment for wheat to the prairie farmers. The two subjects were in no way connected. If my memory serves me, the members of this house were generally in favour of the initial payment to the farmers, but the marketing of coarse grains was a very controversial subject. Yet those two bills were tied together, and there was no freedom to vote on them separately.

If this is the way the government is going to introduce legislation, I respectfully suggest that it should cease talking about dictatorship in other countries.

Some Hon. Senators: Hear, hear.

Hon. Salter A. Hayden: Honourable senators, I cannot let this occasion pass without saying a few words on this bill which involves a continuation of certain controls. I am sure honourable senators know very well the position I take. Though I concede there are times when controls are necessary, I have urged strongly the retreat from the system of controls. To the extent that this bill may be called a "continuation of the retreat from controls" as well as a "continuation of the transitional measures", I take some comfort from it. When we examine the original Act, the subsequent measure of 1947-48, and this bill, we find that the number of controls have gradually been decreased, and to that extent I suppose one may comfort himself with the thought that this evolution is an orderly retreat from control to decontrol.

I do not propose at this time to enter into a discussion of the merits of the controls originally enacted, or the merits of those continued at the conclusion of the war. It is sufficient for my purpose and for the approval of the principle of this bill to accept the fact that we are in a situation where the government seeks to continue certain controls for a limited period of time. With respect to timber and steel, for instance, we are told that the controls are necessary in order that the marketing of these products may be handled in the best interests of Canada. I am

not, therefore, concerned at the moment with the question of whether the government is entitled from a constitutional standpoint to do certain things. I am satisfied to approve the continuance of these measures on the ground that it is for a limited time, and, secondly, because it appears to be an orderly retreat from controls and from control-mindedness in governmental thinking. To that extent I am prepared to subscribe to this measure.

Concerning the question of rental controls, I was very much interested in the remarks of the honourable senator from Victoria (Hon. Mr. Hushion), who spoke earlier this afternoon. Whether the situation throughout Canada, as it affects the tenant is as serious as he pictured it to be, I am not in a position to say. One can always find hardships and inequities if one looks for them in the administration of such legislation as this. We have to depend upon the judgment of individuals to determine what is a fair rental, and in certain cases there are people who, when they get a little power, exercise it in a most arbitrary manner. Be that as it may, I think that during the war period there was basically some element of equity and justice in having a rentals control measure as part of our whole wartime program, and having adopted such a measure, the question of when we should step out of the picture then becomes one of proper timing. If those in charge of the administration of this phase of the law feel the time has not yet come for the complete cutting off of rental control, I am not going to quarrel with them on that point. I do, however, give this warning, that rental control is something that should not be continued indefinitely.

If this question affects the lives of so many of our people that it becomes necessary to continue the controls indefinitely, then we should recognize it from an economic point of view and deal with it in some way other than by continuing the Transitional Measures Act. One must not overlook the problem of the landlord who, under compulsory rental control, cannot get an adequate rental for his property. If the problem is an inherent one affecting those people in our communities who are and always will be tenants, then it exists in wartime, in the transitional period and in peacetime. If that is true, we should face the issue and not forever continue a system of control which is to the advantage of some people and to the disadvantage of others. Briefly, if the problem is basic we must deal with it as such; but if this bill represents an orderly retreat from a system of rental control which must be continued through an adjustment period, I am in favour of it.

I may say in conclusion that at this stage the principle of the bill does not give me as much concern as did the continuation of the Transitional Measures Act when it was introduced. We appear to have moved so far along the line of decontrol that I am prepared to extend the legislation in this limited way, knowing that within the period of one year we will have another opportunity to consider the matter.

Hon. Mr. Davies: May I ask my honourable friend a question? What is the position of the landlord when his expenses go up and his rental income is fixed? For instance, the tax rate in some communities may go up two or three mills, and the cost of coal and other commodities increase. Do I understand that he can appeal the fixation order and have his rent increased?

Hon. Mr. Haig: No.

Hon. Mr. Davies: It seems to me that in our desire to be fair to the tenants, because there are a great many of them who cannot buy houses, we sometimes overlook the landlord, who has had his rent controlled for five years—

Hon. Mr. Haig: For eight years.

Hon. Mr. Davies: —and does not get a sufficient return to carry his property.

Hon. Mr. Hayden: If my honourable friend is asking me a question, I may say that I do not pose as an authority on the interpretation of the rental control regulations which have been in force. Without answering his question fully, I would say that I recognize the problem of the landlord who is asked to pay for services, through municipal taxes, in order that a tenant may continue to occupy a building at a rental which is fixed without any regard for the increase in costs. In the interests of our national economy and as part of the wartime operation, I was prepared to agree to that sort of thing for a limited period of time; but as a permanent feature of our national economy, I am 100 per cent against it.

Hon. Mr. Aseltine: It has lasted eight years now.

Hon. Mr. Hayden: If there is a condition to be remedied, we must face it in some other way than by requiring owners of buildings to make an all-time contribution, at steadily increasing cost to themselves, towards maintenance of their tenants.

Hon. Mr. Roebuck: As I understand it, we considered this measure this afternoon with the definite understanding that it would go over until tomorrow.

Hon. Mr. Haig: Well then, let the honourable senator move the adjournment.

Hon. Mr. Roebuck: Yes, I will. One of my reasons for doing so is that some honourable senators who are not present may want to be heard. The purpose of requiring notice is to ensure that all measures shall be before the house for more than one day, and that nobody will be taken by surprise.

Hon. Mr. Robertson: I take no exception to an adjournment, and I undertake to have this bill sent to committee, although I should like to give a little further attention to the time-table. As I have said, I agree to what my honourable friend urges, and I am prepared to go ahead with the Foreign Exchange Control Bill.

Hon. Mr. Roebuck: Go ahead.

Hon. Mr. Robertson: If possible, I should like to have the committee commence its hearings tomorrow morning, and something should be done with one bill or the other in order to make the best use of our time. I have an open mind as to the best course. Would it facilitate matters to have the house meet tomorrow morning and the committee in the afternoon?

Hon. Mr. Haig: That is what I was going to suggest.

Hon. Mr. Robertson: If second readings were not given until the afternoon, the committee could not meet before Friday morning. However, I am at the disposal of the house.

Right Hon. Mr. Mackenzie: As one who raised a preliminary objection to the procedure, may I thank the honourable leader of the government for this very fine exposition and his conciliatory approach to this problem. What occurs to me is that the honourable leader could proceed briefly to explain the other measure, without any extension of debate, and both bills could go to committee tomorrow, thereby expediting the proceedings. I am simply endeavouring to be helpful in this regard. I have made, and still maintain, a definite objection to the fact that the other house did not refer these measures to us sooner. However, having registered my protest, and having been supported therein by honourable gentlemen on both sides, I am prepared to assist the leader of the government in every possible way in order to reach a definite and satisfactory conclusion on these matters.

Hon. Mr. Haig: I suggest that the house meet tomorrow morning at 11 o'clock. This would allow us two hours to deliberate on these measures, after which they could be considered in committee in the afternoon.

Hon. Mr. Roebuck: I agree.

Hon. Mr. Haig: There may be some other honourable senators who want to discuss these bills, and if we met tomorrow morning they would have the opportunity to do so. There are no committees meeting in the morning, and we shall have nothing else to do. The other house meets at 11: with consent of honourable senators we can meet at the same hour, and by 1 o'clock we will probably have finished the debate. If somebody wanted to carry over to another day that, too, could be arranged. Meanwhile the committee could meet at 2.30 and dispose of both bills.

Hon. Mr. Lambert: Is there any reason why discussion of these bills should not proceed this evening and the committee meet tomorrow?

Hon. Mr. Haig: Some honourable senators want time to study them.

Hon. Mr. Lambert: Not much study is required.

Hon. Mr. Haig: Well, that is a matter of personal opinion.

Hon. Mr. Lambert: We have had this measure up before.

Hon. Mr. Robertson: I am quite willing that the debate should be continued this evening. I am only trying to facilitate honourable senators in getting the maximum amount of information. My honourable friend from Toronto (Hon. Mr. Roebuck) asked me specifically if I would agree to the adjournment. I said I would, and I have no intention of changing my original statement. My only object is to avoid letting tomorrow morning go by without anything being done about these bills.

Hon. Mr. Roebuck: I support the suggestion of the leader of the opposition (Hon. Mr. Haig). I do not like to see legislation of this importance brought into this house and snapped through on the same day. It is not right. I am quite satisfied to attend at 11 o'clock tomorrow morning, when I shall have something to say about the bill. I have felt all the way through this debate that I was not going to speak this afternoon, that I would speak tomorrow, if at all. But that is not important. What is important is that everyone who has something to say shall be given the opportunity to say it, and that we do not close the debate in his absence—initiate it and close it and hang the victim the same day that he is charged. It is bad policy for us to do that kind of thing; we should find some better method of achieving our purposes. So I am ready to meet at 11 o'clock tomorrow morning.

Hon. Mr. Lambert: I agree with everything that the honourable senator from Toronto-Trinity has said as far as giving full opportunity for debate is concerned, but I would point out that one very important phase of this discussion will be in committee.

Hon. Mr. Howard: The most important.

Hon. Mr. Lambert: I would say the most important, and I think it is essential to determine at what time the Banking and Commerce Committee can meet and have certain officials before it to discuss the details, of, at any rate, Bill 85. I do not wish to curtail debate in this chamber. Personally I think the work of the Senate in committee is more valuable than its work here, but that is another question. If we do meet in the morning at 11 and continue this debate all day, the Banking and Commerce Committee would have to meet Friday morning, and third reading would come in the afternoon. Personally I should prefer to have this debate go on all day today and let the committee meet tomorrow.

Hon. Mr. Robertson: It seems to me that that suggestion is perfectly reasonable, but I must not overlook our schedule. Second reading can be deferred until tomorrow.

If the house will permit, I shall take up the bill to amend the Foreign Exchange Control Act. The same procedure could apply: we might arrange to have the Banking and Commerce Committee meet tomorrow afternoon, continue tomorrow evening, and resume if necessary on Friday morning for consideration of the two bills.

Right Hon. Mr. Mackenzie: Is it intended that either the Ministers or the Deputy Ministers and some officials of the departments concerned shall attend to give the necessary explanations?

Hon. Mr. Robertson: Anybody that is wanted that I can get.

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

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

MORNING SITTING

MOTION

Hon. Mr. Haig: May I suggest to the honourable leader of the government that he make a formal motion that the Senate will meet at 11 o'clock tomorrow morning.

Hon. Mr. Robertson: I have no objection to that. I move, with leave of the Senate, that when this house adjourns it stand adjourned until tomorrow morning at 11 o'clock.

The motion was agreed to.

FOREIGN EXCHANGE CONTROL BILL

FIRST READING

A message was received from the House of Commons with Bill 85, an Act to amend the Foreign Exchange Control Act.

The bill was read the first time.

SECOND READING

Hon. Wishart McL. Robertson, with leave, moved the second reading of the bill.

He said: Honourable senators, this bill, as printed, appears to be a relatively short one. It contemplates extending for a further period of two years the Foreign Exchange Control Act which, as in the case of the legislation with which we just dealt, expires sixty days after the opening of parliament. I do not need to suggest to honourable senators, and particularly to those who were here in 1946, what this Act implies. Its subject matter is not new. This legislation was presented to parliament in 1946 in response to a general request that there be put into legislative form the various orders in council affecting foreign exchange which had been passed almost from the outbreak of war.

Honourable senators may recall that after the legislation was considered in the other place it was carefully considered in this house. In fact, there was so much discussion on it and such a great difference of opinion, that, instead of giving the bill second reading and referring it to committee, I remember quite vividly—because it was the first time I had dealt with contentious legislation in this house—it was only possible to have the subject matter of the bill referred to the Standing Committee on Banking and Commerce.

Hon. Mr. Haig: Hear, hear.

Hon. Mr. Robertson: My motion carried, and the bill was sent to the Standing Committee on Banking and Commerce. It was then returned to this house with the recommendation that second reading be given only on the understanding that the bill would be again returned to the Committee on Banking and Commerce for further consideration.

Honourable senators will recall that both in the house and in committee long and careful study was made of the bill before it was finally passed. At that time the committee recommended that there be a three-year limitation, and this recommendation was subsequently accepted by this house.

Hon. Mr. Crerar: It was for two years.

Hon. Mr. Lambert: From January 1, 1947, to 1949.

Hon. Mr. Haig: It was three years.

Hon. Mr. Robertson: I think it was for three years. In any event it was to sixty days after the opening of parliament in 1949. I am certain of that point, because I am introducing it at the present moment.

Now the desirability of continuing in legislative form the exchange control embodied in the various orders in council passed during the war, was founded largely on the need for Canada to co-operate with other countries to achieve an orderly transition from wartime conditions towards those of peace.

Because of our very great interest in international trade, we were among the first countries to co-operate in this international scheme. I believe the people of Canada generally thought, as we did at that time, that it would be wise to co-operate in every way possible in order to bring about a return to peacetime conditions as rapidly and successfully as possible.

There were two major obstacles in the way of return to normal and more desirable conditions in international trade. These two obstacles had arisen because of a variety of circumstances, some of which had to do with the war itself and some with conditions which brought about the war. I refer to the violent fluctuation of exchange rates between countries, and the system of quotas, tariffs, and various protective customs regulations. These had grown up from time to time and no doubt had often been more injurious to the free flow of international trade than the customs barriers themselves.

As regards the first obstacle—with which this legislation primarily deals—I would remind honourable senators that the International Monetary Fund was set up in the closing days of the war as the result of a conference held at Bretton Woods. It was designed to maintain stable international exchange. We joined the International Monetary Fund and agreed to abide by its regulations—and I presume we shall continue to abide by its regulations as long as we are members. Article 14, section 4(a), of the agreement, states:

> Each member undertakes to collaborate with the Fund to promote exchange stability, to maintain orderly exchange arrangements with other members, and to avoid competitive exchange alterations.

The Foreign Exchange Control legislation was introduced in the session of 1946 and passed by parliament. By it we undertook, in essence, to co-operate with the Internation Monetary Fund by controlling capital movements rather than the flow of trade or anything relating to the flow of trade. I remember very well the discussion at the time. It had to do principally with our position in relation to the United States, because of the extraordinarily large investments by citizens of that country in Canada. My recollection is that those investments then amounted to something like $6 billion. The primary objective of the control was the maintenance of stability and the prevention of a flight of capital, which might have had disastrous effects on our economy.

Definite assurances were given at the time as to the limited field of operation under the Act. Honourable senators will recall that the Chairman of the Foreign Exchange Control Board appeared before our Banking and Commerce Committee, and his evidence was printed. He said the board was not in any way concerned with the volume of business that moved between Canada and the United States. He considered it was the board's responsibility and duty to provide *bona fide* purchasers of United States goods with the American exchange necessary to pay for them, and also to provide exchange for interest on bonds or fixed interest-bearing securities and for the refunding of such obligations when they came due. He said, as I remember his evidence, that the board's concern over imports from the United States was restricted to transactions that for one reason or another were not considered to be *bona fide*. For instance, if there was a request to supply American exchange for goods invoiced at a price which the board believed to be in excess of their true value, this would be regarded as an attempt to export capital, and the board would be concerned with the transaction to that extent, but to that extent only.

In the course of debate on the bill in the Senate fears were expressed by some honourable members as to the possible effect of the exchange control on our tourist business, United States investments in Canada and our exports to the United States, as well as on our general trade relations with that country. There was a good deal of discussion about the fact that shortly before the introduction of the bill the Canadian dollar, which since the early days of the war had been subject to a discount of 10 per cent in terms of the American dollar, had been brought back to parity. This discussion revolved principally around the point that parity had been restored by the government itself rather than through legislation.

Our available supply of American exchange was then at an all-time high of $1,300 million, and the then honourable senator from Vancouver stated in this house, or asked a question implying the statement, that under no possible condition would this tremendous surplus of foreign exchange be insufficient for any requirements that might arise. That was of course only a matter of judgment, and

I fancy that the board itself probably felt the amount was sufficient. However, in 1947 the government, of which I was a member, was faced with a condition which certainly was not anticipated when the Foreign Exchange Control Act was passed.

Hon. Mr. Lambert: May I interrupt the honourable leader at this juncture to mention one point? I am sure he will recall, as will all other honourable senators who attended the meetings of the Banking and Commerce Committee in the summer of 1946, that Mr. Towers stated that in his opinion our fund of American exchange would fall much below $500 million.

Hon. Mr. Haig: He said that an annual decrease of about $300 million in our reserves would be safe.

Hon. Mr. Lambert: I think the verbatim record will show that he anticipated a very large drop in our reserves.

Right Hon. Mr. Mackenzie: Did the honourable leader have me in mind when he referred to the senator from Vancouver?

Hon. Mr. Robertson: I had in mind the late Senator McGeer. The right honourable gentleman from Vancouver-Centre (Right Hon. Mr. Mackenzie) was not then a member of this house.

Right Hon. Mr. Mackenzie: But I knew exactly what the situation was. We were down $547 million.

Hon. Mr. Robertson: My recollection is that the Chairman of the Foreign Exchange Control Board contemplated a reduction in our reserves, but not as large a reduction as actually developed. I only mention this by way of pointing out how uncertain future developments are when the country is in the midst of an all-out war, and what a tremendous effect unforeseen circumstances can have upon the country's economy. Honourable senators will recall that in addition to the huge losses Britain suffered during the war, she experienced very severe damage from the unusually cold winter of 1946 and the floods of the following spring, and that in the summer of that year Europe had one of the worst droughts in its history. These conditions created in Britain and on the continent both a market for Canadian agricultural products and a demand for assistance from this country and the United States far beyond what had been contemplated when the first Foreign Exchange Control Bill was under consideration in the Senate.

Honourable senators will recall that we had advanced $1,250 million on a loan which was expected to extend over a period of five years; but the extraordinary demand for credit, plus the unusual demand for agricultural products resulted in a depletion of our foreign exchange much more rapidly than we had contemplated. I remember very vividly the fall of 1947 when we found ourselves in a most precarious position in the matter of exchange reserves. It was at that time that the government of the day, of which I was a member, utilizing powers which were said to be possessed under this legislation, issued orders in council, which were announced over the radio. About six weeks later parliament was summoned and the Emergency Exchange Conservation Bill was presented, and passed. This put into statute form those orders in council passed under the Foreign Exchange Control Act. In all fairness to the chairman and the officials of the board, the utilizing by the government of powers which it felt existed at that time did not constitute in any way a breach of good faith.

I do not propose at this time to delay the house long. I do not think that honourable senators would willingly or carelessly refrain from passing this bill. I cannot say what consequences would flow from our refusal to continue this legislation in some form. Certainly we could not live up to our obligations in the International Monetary Fund if we failed to pass the measure. The effect upon our trade with other countries particularly the United States, would be serious.

Hon. Mr. Haig: May I interrupt my friend? I understand that the International Monetary Fund permits us to drop the rate of our currency ten per cent.

Hon. Mr. Robertson: That is quite true, but that is an administrative detail. Honourable senators will see that the question of setting the currency rate, whether it be fixed at par or at ten per cent discount, contemplates some control. Without control no country could depreciate its currency, except in the market place.

I am confident that the general principle of the bill will commend itself to an overwhelming majority in this house, though there may be details on which honourable senators would wish to be informed. If honourable senators do not see fit to pass the bill, some form of substitute measure of foreign exchange control will have to be adopted. Some control is necessary if we are to remain in the International Monetary Fund and live up to our agreement. I submit to honourable senators that the bill now before the house is a desirable one.

I would remind honourable senators that this bill provides for the continuation of the controls for a period of two years. One might properly ask why the period was not limited

to one year. I would not undertake to say that next year parliament would not be asked for a further extension of part of the Transitional Measures Act. I am neither a prophet nor the son of a prophet, but I would agree with my friend from Churchill (Hon. Mr. Crerar) that by next year it is likely that there will be a substantial reduction in the twelve orders. As to the question of this exchange legislation being continued for a period of two years, I do not think anything vital turns on the matter of time. The government favours an extension for that period. The government and its advisers are of opinion that there is no possible likelihood of the need for the legislation disappearing.

My honourable friend from Churchill has said that he does not like controls. I do not know that I like them either, but I would point out that this bill and similar measures have been part and parcel of our general program, in concert with other countries whose governments think as we do, to tackle the difficult problem of bringing the world back from the terrific impact of total war to normal conditions. As regards rental controls, I suppose no such measure can be expected to be perfect.

I remember well that in 1945, when I first became a member of this government, the war in Europe was just over and hostilities in the Pacific were about to cease. At that time I regarded with concern the tremendous problem which this country faced in the transfer of a million people from war industries to ordinary civilian occupations, and the rehabilitation of approximately 700,000 men of the armed forces. I was aware of the dislocation that was almost sure to follow. I recognize that all honourable senators may not be wholly favourable to this measure, which is presented in the interest of Canada as a whole and of Canada's economic stability. Consider what has happened since the end of the last war. Should I have been believed at that time if I had stood here and said: "I promise you that within the next three years or so, those who are now engaged in war industry will have been absorbed into the general industry of this country, 700,000 men in the armed forces will have found other employment, and the nation's activity will have reached an all-time peak level"? or would you have credited me if I had said: "I shall then ask you to consider the necessity of a further continuance of these measures in a troubled world, and shall present to you these circumstances: an unprecedented prosperity in this country, sound finances, and income tax exemptions restored to a pre-war level"?

Reflect, honourable senators, how little inconvenience has been caused to the great mass of the people by any of the restrictive legislation which has been passed. Remember that had we not co-operated with other countries to achieve this desirable goal, nobody can tell where we would have been today. The government of which I am a member believes, as the result of the best advice it can get, that fortunate and enviable though our position is, it is going to be better. Tomorrow there will be unfolded in this house one major prospect of an expenditure in this country of millions of American capital to develop one of the great resources of Alberta. Never in our history has our stability, our capacity, our common sense, our administrative competence paid such dividends. So, because the country is happy and prosperous, and because its future seems so bright, I shall make no apology for asking that a mechanism which has operated for the good of all shall continue to function for a further period of two years. I am informed by my colleague the Minister of Finance and those who advise him that, excellent as prospects are, there are contingencies which might seriously affect our economy; and it is the part of wisdom to play safe.

Hon. John T. Haig: Honourable senators, I had intended to speak at once, although not at any great length; but the hour is late, and I should like to read what my honourable friend the leader of the government (Hon. Mr. Robertson) has said. But before I adjourn the debate I think it well to point out that, but for the money the United States has advanced to Europe in the past two years, our exchange situation would not have been as rosy as my honourable friend depicts it.

Hon. Mr. Howard: We admit that.

Hon. Mr. Haig: And if that aid is not continued, God help this country. I was in favour of this bill when it was brought in during 1946, to be effective from January 1, 1947. I fought strenuously for the two-year period and, with others, did something to have it inserted in the legislation.

Hon. Mr. Aseltine: Three years.

Hon. Mr. Haig: Two years from January 1, 1947. The bill was passed in 1946, but it did not come into effect until the beginning of the following year, and it continues in force until sixty days after the opening of the 1949 session.

I was less certain of the wisdom of arbitrarily, by government action, putting our currency at par with that of the United States, but as my reading along this line had not been sufficient to enable me to make up my mind, I was unwilling to criticize on the basis of incomplete knowledge. My mind was troubled at the fixing of an arbitrary value

for our money; and on this point I want to give credit to my honourable friend from Trinity (Hon. Mr. Roebuck). Two years ago his speech on this question raised very grave doubts in my mind. Since then I have given further attention to the subject, and everything I read goes to convince me that the best prospect of the world getting back on its feet is through an exchange rate which is universally recognized and respected. I do not see the use of decreeing that our dollar shall be worth 100 cents in relation to the United States dollar. There are restrictions on sending money to the United States. If a man in that country owns a farm in Canada and sells it, he cannot get payment in United States currency. The purchaser can send him Canadian money, which he may sell in New York at a discount of 7 per cent. So that is what our money is worth in comparison with the American money—93 cents on the dollar. I do not believe that Europe or the world at large can recover economically unless there is some stable basis of money value. Trade cannot effectively develop without it. We have insurance to protect maufacturers in other parts of the world; the government guarantees that if you sell goods to a certain country you will receive so much money from the transaction. All these things, as the senior member from Toronto (Hon. Mr. Hayden) said a little while ago, are based on a war psychology. I am not blaming the government for this state of mind; it is common to all of us, and the sooner we get away from it, and agree that there must be some basis of value upon which we can freely exchange, the better. Business cannot flourish otherwise. I cannot see that the British pound is worth $4, when nobody will give $4 in American currency for it; and from our standpoint the ability to exchange for American money is very important. It is true that the amount of American exchange in this country has increased. In part, it consists of money received from cattle sold from Western Canada to the United States last year, when the export of our livestock was permitted.

I intend to speak further on this motion, but as quite a little legislation remains for attention this afternoon, with the consent of the house. I will move adjournment of the debate.

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

STAFF OF THE SENATE

REPORT OF INTERNAL ECONOMY COMMITTEE

Hon. Mr. Howard (for Hon. Mr. Paterson) presented and moved concurrence in the second report of the Standing Committee on Internal Economy and Contingent Accounts, as follows:

The Standing Committee on Internal Economy and Contingent Accounts beg leave to make their second Report, as follows:—

Your Committee recommend:—

1. That the rate of compensation for John F. MacNeill, K.C., Law Clerk and Parliamentary Counsel, the Senate, be increased to $10,000 per annum, effective April 1, 1949.

2. That the rate of compensation for Charles Roch Lamoureux, Gentleman Usher of the Black Rod, be increased to $5,600 per annum, effective April 1, 1949, and that the allowance of $600 in lieu of quarters be discontinued.

3. That the compensation paid to C. Batterton for the carriage of mails between the Ottawa Postal Terminal and the Senate Post Office be increased from $3 per diem to $5 per diem during the Session of Parliament, and from $35 per month to $50 per month during the recess of Parliament, effective January 26, 1949.

4. That the daily rate of pay for Debates amanuenses be increased to $7.50 per diem, effective January 26, 1949.

5. That the daily rate of pay for John Abbott Hinds, James Dunnet MacDonald and Alfred Fortier, temporary Committee Clerks, be increased to $9 per diem, effective April 1, 1949.

6. That the daily rate of pay of W. D. Johnston and Peter Auger, temporary senior constables, be increased to $6.70 per diem, effective April 1, 1949.

7. That the daily rate of pay for Senate Charwomen be increased to $2 per diem, effective April 1, 1949.

Hon. Mr. Roebuck: Honourable senators, I should like to make one comment on this report. It does seem to me that the pay of $2 per diem for charwomen is too low. I have no objection to any of the other increases recommended in the report.

Hon. Mr. Haig: I think the daily rate for a charwoman was only $1.50 before.

Hon. Mr. Roebuck: Then it was much too low. I just wanted to put in a word for the charwomen.

The motion was agreed to.

STAFF OF THE SENATE

REPORT OF INTERNAL ECONOMY COMMITTEE

Hon. Mr. Howard (for Hon. Mr. Paterson) presented and moved concurrence in the third report of the Standing Committee on Internal Economy and Contingent Accounts, as follows:

Your committee recommend that the Senate do concur in the following new class, approved by the Treasury Board, effective July 1, 1948: Assistant Steward and Parliamentary Confidential Messenger Compensation:

Annual: $1980 2040 2100 2160

The motion was agreed to.

PRIVATE BILL

REPORT OF COMMITTEE

Hon. A. K. Hugessen presented the report of the Standing Committee on Miscellaneous and Private Bills on Bill M-2, an Act to

incorporate The North West Commercial Travellers' Association of Canada.

He said: Honourable senators, the committee have in obedience to the order of reference of March 15, 1949, examined the said bill, and now beg leave to report the same with the following amendment:

1. Page 5: Add the following as new clause 16:—
"16. Upon the coming into force of this Act, Chapter one hundred and thirty-four of the Statutes of 1906, intituled 'An Act respecting the North West Commercial Travellers' Association of Canada', shall be repealed."

The amendment was concurred in.

THIRD READING

Hon. Mr. Haig moved the third reading of the bill.

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

PRIVATE BILL

REPORT OF COMMITTEE

Hon. A. K. Hugessen presented and moved concurrence in the report of the Standing Committee on Miscellaneous and Private Bills on Bill Q-2, an Act to incorporate The Sisters of Saint Elizabeth Hospital.

He said: Honourable senators, the committee have, in obedience to the order of reference of March 16, 1949, examined the said bill, and now beg leave to report the same without any amendment.

The motion was agreed to.

THIRD READING

Hon. Mr. Aseltine moved the third reading of the bill.

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

DIVORCE BILLS

FIRST READINGS

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

Bill B-4, an Act for the relief of Ada Bailen Dubman.

Bill C-4, an Act for the relief of Sarah Patricia Crowley King.

Bill D-4, an Act for the relief of Lola Dulcenia Hill Morton.

Bill E-4, an Act for the relief of Hilda Hodgkinson Connolly.

Bill F-4, an Act for the relief of Norma Thompson Farrell.

Bill G-4, an Act for the relief of Harold Charles Boyes.

Bill H-4, an Act for the relief of Sophie Goldenberg Kovacs Feldheim.

Bill I-4, an Act for the relief of Eva Brolofsky Richman.

Bill J-4, an Act for the relief of Arland Farmer Webster.

Bill K-4, an Act for the relief of Wynifred Guinevere Withrow Couch.

Bill L-4, an Act for the relief of Dorothy Ruth Ogilvie.

Bill M-4, an Act for the relief of Dorothy Edith Croft Douglas.

Bill N-4, an Act for the relief of Corinne Schlein Gottlieb.

Bill O-4, an Act for the relief of Zelma Alexander Singer.

Bill P-4, an Act for the relief of Katherine Adamakos Koussaya.

The bills were read the first time.

SECOND READINGS

Hon. Mr. Aseltine: With leave of the Senate, I move that these bills be now read the second time.

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

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

Hon. Mr. Aseltine: At the next sitting of the Senate.

STANDING COMMITTEES

ADDITIONS TO PERSONNEL

Hon. Wishart McL. Robertson moved:

(1) That the names of the Honourable Senators McDonald and Wood be added to the list of senators serving on the Standing Committee on Immigration and Labour.

(2) That the names of the Honourable Senators Fogo, MacLennan and Taylor be added to the list of senators serving on the Standing Committee on Banking and Commerce.

The motion was agreed to.

The Senate adjourned until tomorrow at 11 a.m.

THE SENATE

Thursday, March 24, 1949

The Senate met at 11 a.m., the Speaker in the Chair.

Prayers and routine proceedings.

DIVORCE BILLS

FIRST READINGS

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

Bill Q-4, an Act for the relief of Margaret Hyams Boldovitch.

Bill R-4, an Act for the relief of Frederick Cecil Carratt.

Bill S-4, an Act for the relief of Anne Harris Shefler.

Bill T-4, an Act for the relief of Virginia Therese Scott Gillespie.

Bill U-4, an Act for the relief of Ruth Ellen Jones Palamar.

Bill V-4, an Act for the relief of Ida Ker Davies Kinnon.

Bill W-4, an Act for the relief of Arthur Filteau.

Bill X-4, an Act for the relief of Karl Kastner.

Bill Y-4, an Act for the relief of Mary Elizabeth Wilson Taylor.

Bill Z-4, an Act for the relief of Jean Martha Spiller Little.

Bill A-5, an Act for the relief of Violette Blanche Heuff McKenna.

Bill B-5, an Act for the relief of Dorothy Elizabeth Amos Nicol.

Bill C-5, an Act for the relief of George Henry Burney.

Bill D-5, an Act for the relief of Leonne Dufresne Patenaude.

Bill E-5, an Act for the relief of Audrey Blanche Duncan Myers.

The bills were read the first time.

SECOND READING

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

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

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

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

Hon. Mr. Aseltine: Next sitting.

THIRD READINGS

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

Bill B-4, an Act for the relief of Ada Bailen Dubman.

Bill C-4, an Act for the relief of Sarah Patricia Crowley King.

Bill D-4, an Act for the relief of Lola Dulcenia Hill Morton.

Bill E-4, an Act for the relief of Hilda Hodgkinson Connolly.

Bill F-4, an Act for the relief of Norma Thompson Farrell.

Bill G-4, an Act for the relief of Harold Charles Boyes.

Bill H-4, an Act for the relief of Sophie Goldenberg Kovacs Feldheim.

Bill I-4, an Act for the relief of Eva Brolofsky Richman.

Bill J-4, an Act for the relief of Arland Farmer Webster.

Bill K-4, an Act for the relief of Wynifred Guinevere Withrow Couch.

Bill L-4, an Act for the relief of Dorothy Ruth Ogilvie.

Bill M-4, an Act for the relief of Dorothy Edith Croft Douglas.

Bill N-4, an Act for the relief of Corinne Schlein Gottlieb.

Bill O-4, an Act for the relief of Zelma Alexander Singer.

Bill P-4, an Act for the relief of Katherine Adamakos Koussaya.

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

SUSPENSION OF RULES

MOTION

Hon. Mr. Robertson moved:

That for the balance of the present month Rules 23, 24 and 63 be suspended in so far as they relate to public bills.

Right Hon. Mr. Mackenzie: Honourable senators, with the consent of the Senate: The other day I asked the honourable leader if he would kindly indicate to the house the exact significance of the three rules which are to be suspended, so that the house would be completely aware of how it is proceeding.

Hon. Mr. Robertson: As I explained before —and I welcome the opportunity to explain again at the suggestion of the honourable senator from Vancouver Centre (Right Hon. Mr. Mackenzie)—the object of this motion is to suspend certain standing rules relating to the time lapse between the first and second readings and the second and third readings of bills. Without such a motion the rules can only be waived by unanimous consent of the Senate. I again emphasize that this motion does not confer upon me, as government leader in this house, any particular privilege; a majority of honourable senators would still have the power to agree to or disagree with

any motion which I might make, and I would be bound by their decision. The practical effect, as I have intimated, is to suspend the requirement which prescribes, except by unanimous consent, an interval of forty-eight hours between first and second readings, twenty-four hours between the presentation to the house of a committee report, not merely formal in character, and its consideration, and the lapse of another twenty-four hours before third reading.

The motion was agreed to.

CONTINUATION OF TRANSITIONAL MEASURES BILL

SECOND READING

The Senate resumed from yesterday, the adjourned debate on the motion of Hon. Mr. Robertson for the second reading of Bill 86, an Act to amend The Continuation of Transitional Measures Act, 1947.

Hon. Arthur W. Roebuck: Honourable senators, when I adjourned the debate on this bill yesterday, I did so largely because I felt that the debate should not be initiated and ended in one day. I also wished to protect the right of any member, not present yesterday, to speak in the debate today and, by adjourning the debate, to prevent any possibility of a charge that this house was railroading important legislation.

Right Hon. Mr. Mackenzie: Hear, hear.

Hon. Mr. Roebuck: Honourable senators, there are one or two comments that I should like to make on this bill. My instinctive revulsion from legislation which institutes or maintains controls is very much ameliorated or modified by the fact that the controls continued by this bill are but the fag-end of many controls which were thought to be necessary during the war. Rent control is the most important control to be continued. I fancy that he would be a bold man who would argue that during the war and the period immediately thereafter the extraordinary and vexatious landlord-and-tenant situation should have been allowed to continue. The greatest factor in bringing about industrial stagnation is the increase in the cost of carrying on business that accompanies advancing land values and rents; and had the landlord been allowed a free hand during the time of desperate need of housing and of accommodation for business, there is no doubt that he would have "taken the hide" of the family man, the chap who needed a place in which to live and to work. It was unthinkable that we should have allowed the landlord to take full advantage—he did take some advantage—of the power he had in his hands during the extraordinary period of the war. And to my mind that argument extends, though with less force, to the situation of the moment.

But it seems to me to be worthwhile to point out that at this time rent control is not the way to handle the problem of a shortage of houses. In our communities houses are taxed more heavily than anything else. We hear a good deal of criticism of the sales tax. It is 8 per cent, and, goodness knows, that is enough. There is fair ground for criticism, because the tax does a great deal of damage; but once the 8 per cent is paid the taxpayer does not have to pay any additional sales tax, and from then on our governments do not interfere with his ownership of the goods on which he has paid the tax. But if a house is built, as long as the house stands, it is taxed every year an average of 4 per cent of its value. That is the most drastic form of taxation that we have in our communities, and it has discouraged house-building and has increased the cost of housing for our people.

Obviously, our approach to this problem of housing should be through the removal, by our federal, provincial and municipal governments, of the taxes upon houses and house-building materials. These materials should be free of tariffs and excise and all such taxes, and houses should be relieved of the annual levy that is now made on them by municipalities.

On the other hand, we should increase taxes upon land values and make it more and more difficult for anyone to keep the cold wet blanket of speculatively-held land around our communities. I say that because the greatest difficulty encountered by would-be house-builders today, in this great country of almost unlimited area, is that of obtaining ground upon which to build. If we did two things—if we made it easier to supply houses and more difficult to withhold the land needed for them, we would cure the housing problem by natural means and not have to resort to drastic measures, such as putting a government official in control of rentals.

I received through the mails yesterday a paper from New South Wales, and I noticed these two sentences which are probably worth reading:

> Taxes in New York are on what we know as improved value as distinguished from the New South Wales plan on unimproved value. All polls in this state as to the incidence of local taxes have condemned improved value taxes and have been in favour of unimproved value taxes.

In New South Wales no municipal tax is levied upon houses, all the taxes fall upon the value of the land. That is the system we should have in this country, and I submit it would do far more for the people than can

be done by rentals control, for it would by natural means encourage people to supply the houses needed, and at the same time it would discourage the holding of building sites for high prices.

Hon. Mr. Haig: May I ask one question of my honourable friend? Was that not advocated some years ago in New York, by people who believe in Henry George's theory?

Hon. Mr. Roebuck: Of course that is the theory of Henry George, one of the greatest of economic philosophers; and it has been advocated in New York. But the mere exemption of improvements from taxation is not the whole philosophy of Henry George. Of course it follows the reasoning to be found in George's great book *Progress and Poverty*, written many years ago. Some people have been impatient that his theories were not adopted immediately; but it sometimes takes a long while to get a bright idea into a dull head.

Hon. Mr. Howard: Sometimes they never get in.

Hon. Mr. Roebuck: That is true. And the more fundamental and simple the idea, the more unlikely people are to grasp it.

Some Hon. Senators: Question.

The Hon. The Speaker: Honourable senators, the motion is for second reading of Bill 86, an Act to amend the Continuation of Transitional Measures Act, 1947. Is it your pleasure, honourable senators, to concur in second reading of the bill?

Some Hon. Senators: Carried.

The motion was agreed to.

REFERRED TO COMMITTEE

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

The motion was agreed to.

FOREIGN EXCHANGE CONTROL BILL

SECOND READING

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. Robertson for the second reading of Bill 85, an Act to amend the Foreign Exchange Control Act.

Hon. John T. Haig: Honourable members, I spoke briefly on this subject yesterday, and I do not intend to delay the house for long today. I point out, however, that this bill is more important than the one to which we have just given second reading. If I may say so—though I am out of order in referring to the previous measure—it contained limited provisions, whereas the bill now before us is fundamental in its nature.

The question of foreign exchange control is going to become increasingly important in this country as the months pass. In saying that, I speak from an economic rather than a political standpoint. The bill itself deals simply with the extension of the control of foreign exchange, but one cannot understand the fundamental issues if he forgets that the government of this country, in July 1946, said that our dollar was worth a hundred cents on the American dollar. With the placing of our dollar at par, immediate and drastic measures became necessary to control the foreign exchange situation.

My reason for offering this criticism is my belief that if we leave our dollar alone the problem will solve itself. True, during the war our money was at a discount of ten per cent, and we were required to pay $1.10 or $1.11 for American dollars. The difference in exchange just about paid the cost of doing the business. Whether that wartime policy was right, I do not know; but today our dollar is selling in New York at 93 cents, and whether in the complete absence of foreign exchange control its value would fluctuate up or down is something that nobody can predict.

Hon. Mr. Roebuck: Would the honourable gentleman allow me a question? If the uncertainty is such, and the dollar value is now 93 cents, why is the honourable gentleman in favour of fixing its value at a ten per cent discount?

Hon. Mr. Haig: Oh, but I am not. I am very much opposed to that policy. I say that is what the government did during the war.

Hon. Mr. Roebuck: But it has been advocated in another place.

Hon. Mr. Haig: I do not care. What has been advocated in another place does not bind me, and I am not going to be dictated to by anyone there or anywhere else.

Some Hon. Senators: Hear, hear.

Hon. Mr. Haig: I propose to take my own view as to what action this house should take, and I will not be influenced by a certain line of thought adopted by the members of my party in another place. If this chamber is to perform its proper function, each one of us must express his own ideas and do what he believes to be in the best interests of Canada.

I do not see how it is possible for world trade to get on its feet without some freedom. Speaking politically for a moment, I do not understand how a Liberal administration in parliament can put forward a control measure

of any kind, particularly one of monetary control. It really is a hidden tariff, and is most effective.

The government chose to put our money at par, with what result? The result was as natural as the setting of the sun. The people, realizing that they needed new machinery and other equipment for factories, took advantage of the revaluation of our money and rushed to the United States to buy. Within two months our reserves began to go down; they depreciated so rapidly that in November 1947 the government decided it could not wait for parliament to assemble, and suddenly, by radio, announced a new control policy.

Hon. Mr. Robertson: May I ask my friend a question? He said the action taken by the government had the result of increasing the tariff. Was it not exactly the reverse?

Hon. Mr. Haig: No. I say that when you arbitrarily control exchange—

Hon. Mr. Roebuck: It destroys trade.

Hon. Mr. Haig: —it destroys trade. For example, a printer in Winnipeg who has been waiting four or five years for a new press decides, immediately upon Canadian money going to par, that he will take advantage of the situation and acquire new machinery. I know of a number of people who purchased in the United States new equipment worth as much as $50,000 and $100,000.

Hon. Mr. Hugessen: That is a strange way to destroy trade.

Hon. Mr. Haig: Just a minute, my friend. We could not afford such purchases in the United States. The minute such expenditures were made our foreign exchange literally flew out the window, and depreciated so rapidly that drastic curtailment became necessary. My argument is that our money should be left to find its own level. If we are able to buy a dollars worth of American goods with a dollar of our own, well and good; but why should the Canadian manufacturer buy American machinery when he has to pay a dollar for ninety cents worth of equipment?

Hon. Mr. MacLennan: What would happen if the dollar were not fixed at par?

Hon. Mr. Haig: It would find its own level.

Hon. Mr. MacLennan: But you would get your machinery for less.

Hon. Mr. Haig: No. The Canadian manufacturer would not buy the machinery if he had to pay the discount.

Hon. Mr. MacLennan: But he might get the machinery for less.

Hon. Mr. Haig: He might, but such has not been our experience. The minute you fix the rate, and control foreign trade, the country takes advantage of it.

Everyone knew when the government put the Canadian dollar up to par in 1946 that the foreign exchange balance would go "out the window." That is exactly what it did, and we had to have a police force to guard the vaults and curtail trade.

What are the government doing by means of this bill? They have reversed their attitude. Of course, our foreign exchange position has improved a little, but the greater part of our sales of primary products to Europe is being paid for either through United States loans to the importing nations or by the credits we have advanced to them. I predict that by next fall, unless the United States continues to pour money into Europe, there will be no customers for our primary products. Already our sales are declining because of the stagnating effect of controls in all these countries: and as far as we are concerned this bill continues the controls.

Prior to the last war we sold large quantities of natural products to Britain. To pay for these goods Britain used dollar exchange mainly obtained in five ways: first, through the proceeds of sales to the United States of products from British controlled Asiatic countries; second, through investments in dollar countries, especially the United States; third, from the earnings of her international shipping; fourth, from the insurance business which she carried on from London; fifth, through manipulation of the money markets in London, where exchange for all the world was bought and sold. From these sources Great Britain was able to acquire sufficient American dollar exchange to balance her purchases on this continent.

But what is her situation now? She has lost most of her Asiatic possessions; a great part of her shipping was destroyed during the war, although some has since been replaced; London no longer monopolizes the international money market; her insurance earnings have been drastically reduced; and her overseas investments, such as railroads in Argentina and industrial securities in Canada, have been sold to pay for imports of beef and grain. As a result, she has not the money to buy our products, and if we buy from the United States we must get American money someway or other to pay for our purchases. Under these circumstances, the Canadian government imposed controls, to limit purchases from the United States. Fortunately for us the American government relaxed its restrictions; and owing partly to the Geneva agreements and partly to cattle

disease in Mexico, we sold 400,000 cattle to the United States at a very high price, which supplied us with a good deal of American exchange. At the same time, official curtailment of purchasing from the United States further improved our currency situation.

But that state of things cannot go on. Overseas countries are recovering their domestic supply position. Great Britain no longer needs to take the same quantities of bacon, eggs and other commodities from Canada. Through the international wheat agreement she has reduced both the prices and quantities of her wheat purchases from North America. All these things add up to the situation wherein Canada, facing difficulties with controlled currencies throughout the world, is maintaining a similar policy. An honourable senator has stated that in virtue of the Bretton Woods agreement we cannot depreciate our currency more than 10 per cent. I doubt whether the agreement goes that far, but whether it does or not, we have to face the fundamental fact that, next to Great Britain—or perhaps even more than Great Britain—we are dependent upon international trade, because three-eighths of our production must be sold on world markets. A large proportion of this production consists of natural products. But today, in the sterling area, Poland is producing bacon, Hungary wheat, and Denmark butter, for sale to Great Britain in competition with ourselves, although we extended special preferences in connection with these products to Great Britain during the war. The British have arrived at agreements with Russia to exchange tractors and electrical supplies for Russian wheat.

I foresee a great deal of difficulty in our economic situation. The first thing we should do is to begin to free our currency, so that those who receive ten dollars from us in payment for goods supplied, can be sure of getting ten dollars anywhere in the world. We have got to come to a realistic valuation, not only for our own sake but so that the rest of the world will follow our example. Only by this means will the real value of our goods be reflected in transactions on the world markets.

Right Hon. Mr. Mackenzie: Canada cannot do it alone.

Hon. Mr. Haig: I admit that, but nothing will be done unless somebody starts to do it. The United States have a free currency now. We of all people are the best able to initiate this reform. I do not argue that we can do it alone, but we can make the first move.

Right Hon. Mr. Mackenzie: I think the policy proposed by the honourable gentleman is that which was advocated some years ago by the Winnipeg *Free Press:* "Let the dollar ride on the tide of trade."

Hon. Mr. Haig: Yes. In the minds of some people gold is everything. At one time in Manitoba, Saskatchewan and Alberta we talked about wheat as if it were gold. We would say about something, "it is just as good as the wheat". That expression was commonly heard on the prairies a decade or two ago, but from 1930 on questions began to be asked about how good wheat was. Other factors had to be reckoned with. Germany and Italy put on heavy duties. France grew and continues to grow a lot of wheat. Conditions like this must be faced. I say there is no country which needs more urgently than Canada does to settle the basic value of its money. It will be a troublesome and painful business, but we shall suffer worse consequences if we do not do it.

Unless the policy of the government in regard to stabilizing the value of our dollar is changed, this bill is absolutely essential. That is the situation. And control is the essence of the legislation. If you want to go to the United States or to Europe you must justify to some official the purpose of your trip, or you will not get the money. If you need American currency you must explain why; if you want to send money to the United States, you are subject to the same regulations. Should an American citizen sell a farm in Canada which he owns, he cannot get the proceeds in United States currency: the Canadian dollars he receives must be sold in New York at the best price he can get for them.

In conclusion, I urge upon this house, the government, and the people of this country, that we start to stabilize our currency on the basis of the valuation which the world puts upon it. This course would help our tourist trade. If today our dollar was recognized as being worth 90 cents in United States funds, or the American dollar were worth $1.10 in our currency, the numbers of American tourists in this country would greatly increase, because it is human nature to go where you can get more value for your money. As things are, the tourists may be getting the worth of $1.10 for every dollar spent upon food and clothing and accommodation, but the real difference in currency values should be admitted.

Sales of pulpwood, metals and cattle have helped keep our respective currencies in some sort of relation. If it were not for the immense quantities of pulpwood products, basic minerals and the large numbers of cattle and hogs that we sell to the United States, our American currency reserve would not be a billion dollars. Our exports to the United States saved us in the past, and they will save

us in the future; but why should our products not bring their real value in our own country? I am not sure of the figure, but I think we sell our pulpwood in New York for $100 or $110 a ton.

Hon. Mr. Davies: $106.

Hon. Mr. Howard: You mean wood pulp, not pulpwood.

Hon. Mr. Haig: I am referring to the product of the pulpwood. If there were a discount of, say 7½ per cent, the Canadian dollar would be worth 7½ per cent more in Canada than it is today. Why should we not benefit by that amount, and not be forced to accept whatever we can get for our products here? Unless Canadians realize that they are selling a world product on a world market, and adjust themselves accordingly, they will continue to pay for this policy every day, and as a result any adjustment in the future will be more difficult.

Honourable senators, as I said before, I am not going to vote against this measure because I feel that it is absolutely essential just as long as the government continues to stabilize our dollar at par with the American dollar. I am not critical of the Foreign Exchange Control Board officials. They have done the best they could under the circumstances, but I do think the government should change its policy and return to a basis of real value for the Canadian dollar, and let the world price set itself. This would stabilize world trade to our advantage.

Hon. Mr. Aseltine: I understand my honourable friend does not agree with the forfeiture of American money by persons returning from the United States.

Hon. Mr. Haig: That is a detail which I do not intend to discuss here.

Hon. G. P. Campbell: Honourable senators, in the light of several statements made by the honourable leader of the opposition (Hon. Mr. Haig), I should like to make a few observations on this bill. I do not profess to be an economist and probably cannot challenge, on any sound economic basis, certain of my honourable friend's statements, but I would point out several facts which I feel he has entirely overlooked.

In the first place, my honourable friend spoke in favour of a stabilized world currency. But if we did have such a thing, it would be absolutely essential to have some sort of foreign exchange control in perpetuity. It is quite impossible to have a stabilized world currency without having an international bank and a control functioning in the various countries.

I think my honourable friend has been a little confused in his thinking. He suggested that we should let our dollar find its natural level and get on the same free basis as the United States dollar. We all know that the United States today are in an entirely different position from that of any other country in the world. Under present circumstances, if we remove all controls and let our dollar find its natural level, it is difficult to say what suffering would take place in Canada. There would certainly be great disruption of business, for several reasons, one being that Canada is dependent upon the United States for a great many of its necessities. We buy our sugar, tea, coffee, citrus fruits and much of our consumable foodstuffs on the United States market, and we have to pay for these products with United States dollars. If we were to let our dollar find its natural level it is quite possible that it would be discounted 20 or 25 per cent, as it was after the First Great War. This would result in an immediate increase in our cost of living, and in the cost of importing various American goods into this country. I am sure that this is one factor which the government has considered in attempting to maintain some sort of control.

My next point is that, in order to carry on their operations, every manufacturing industry in this country is dependent upon the importation of parts from the United States. If, as has been suggested, the dollar were allowed to go to a discount—there is no suggestion that it would go to a premium—a greater burden would be put upon Canadian industry. The cost of production would be increased and our industries would be greatly handicapped in competition on foreign markets.

Another important and determining factor in the control situation today is our inability to balance—as we always have done in the past—our foreign trade with the United States. I am sure that every honourable senator is aware that Canada has never been able to balance its foreign trade with the United States, except by offsetting it by a favourable trade balance with other countries. Therefore it is perfectly certain that if all forms of control are removed and there is no exchangeable currency received from the sale of goods to other countries, a great deficit will result in our dealings with the United States. The situation in Canada is dependent entirely upon our ability to sell our goods abroad and receive in return a currency which can be exchanged for United States dollars. This would balance our foreign trade in the United States. As long as Canada continues to have an unfavourable balance of trade with the United States, it

would be most disastrous to remove all forms of foreign exchange control, and let the chips fall where they may. It must be realized that until the world is a little more settled Canada will not be able to secure from the United Kingdom and the countries of Europe the exchangeable currency that she received prior to the war. I am one of those who feel that some form of foreign exchange control is absolutely necessary until a free-trade basis can be re-established and an exchangeable currency can be obtained in order to balance our trade.

I do not profess to know whether our dollar would go to a discount of 5 or 10 or 20 per cent, but I do know that after the First Great War the Canadian dollar dropped to a discount of approximately 27 per cent.

Hon. Mr. Haig: What is the Canadian dollar worth in New York today?

Hon. Mr. Campbell: It was at a substantial discount for some time; I believe as much as 18 per cent. I do know that industry has been pretty well satisfied with the functioning of the Foreign Exchange Control Board, and I should like to take this opportunity of saying that, of all the boards that have functioned during and since the war, the Foreign Exchange Control Board has carried on with the greatest efficiency and the least criticism.

Some Hon. Senators: Hear, hear.

Hon. Mr. Campbell: It is true that the board was established at an early date, when it was possible to pick very able men.

Hon. Mr. Horner: I do not agree with that.

Hon. Mr. Howard: It is a matter of opinion.

Hon. Mr. Campbell: I am not saying that every member of the Conservative party will agree with it.

Hon. Mr. Horner: You do not need to bring parties into the discussion.

Hon. Mr. Aseltine: Maybe the honourable gentleman from Toronto does not have as much trouble as the rest of us do in getting money for a trip to the United States.

Hon. Mr. Campbell: I say that industry—and, after all, it is industry that is chiefly affected by this law—was pretty well satisfied with the administration of the foreign exchange control during the war.

I would like to refer to one of the arguments of the honourable leader of the opposition (Hon. Mr. Haig). He said that if our dollar was at a discount of 10 or 15 per cent the people would not spend their money abroad. I disagree with him. It is true that we would have to pay more for any goods bought in the United States, but the fact is that our industries cannot avoid buying such things as tools, machinery, printing presses—my honourable friend mentioned these—and certain other things that are not manufactured in this country. I say that a discount of 10 or 15 per cent on our dollar would not make a particle of difference in the United States expenditure of Canadian industries.

Hon. Mr. Haig: Oh, yes, it would.

Hon. Mr. Campbell: The fact is that throughout the period when our dollar was subjected to a heavy discount we had an adverse balance of trade. A slackening of the regulations under the Foreign Exchange Control Act was accompanied by an increase in our expenditures in the United States, and we quickly developed an adverse balance. The reason is that we depend upon the United States for a great many things, and it is natural for Canadians to purchase these things there as freely as conditions permit. Our expenditures rose to a point that could not be offset by the trade that we were doing abroad. At the same time we were extending large credits to the United Kingdom and other countries, and were not receiving from them any commodities that could be converted into American dollars.

It is unfortunate, I suggest to honourable senators, that this measure extends the Foreign Exchange Control Act for two years. While I believe foreign exchange control to be necessary at present, I feel that the Act should be subject to review by parliament every session. I agree with the suggestion that was made in our Banking and Commerce Committee, I think by the honourable senator from Ottawa (Hon. Mr. Lambert), that the Foreign Exchange Control Act might be reviewed by parliament annually, just as the Army Act is reviewed annually by the Parliament of the United Kingdom. If that were done we could have an accounting from the officials every year and keep the law more directly under the control of parliament. In my opinion it is the duty of parliament to make sure that legislation of this kind does not become permanent. I do say, however, that the sound handling of our currency problems during the war, and since, has had a stabilizing effect upon industry and has done much to create confidence throughout Canada and abroad in the financial administration of this country's affairs.

Hon. T. A. Crerar: Honourable senators, at the outset I wish to apologize to my colleagues for a rather husky condition of voice. For the last several weeks I have been under the disability of laryngitis. No doubt some of my colleagues in the house may think that

is not an unfortunate thing. However, I do not propose to speak at length on the bill, because, while I like the Foreign Exchange Control Act no better than I did three years ago, I realize that unless we pass this bill within about 60 hours from now the Act will expire; and if that should happen there would undoubtedly be a great deal of temporary dislocation in the country.

I endeavour to look at a matter like this, honourable senators, in a practical way. The Foreign Exchange Control Act, whose life will be renewed for two years by this simple bill that we are now considering, still provides for all the powers and penalties that it has provided for throughout the last three years.

Hon. Mr. Aseltine: Why not extend the Act for one year only?

Hon. Mr. Crerar: That would suit me.

I wish here to register a protest, a strong protest, against the condition under which we are allowed practically only two days in which to deal with this measure. I do not wish to be unjust to the government, but I do think that in this instance parliament is not being treated with the respect and courtesy that it deserves. I am well aware that the measure drifted along in the other place for a considerable time. There was a long debate on the Address in that place. In passing, I may say that after the first week little that was said there in the debate on the Address was worth saying. However, we must face the situation that we find here, and I do think that we, as members of a parliament which still can lay claim to a large measure of freedom, have no other means of influencing the government to change or improve this measure than by protesting against it.

Honourable senators, I was interested in the speech made a few minutes ago by my good friend the senator from Toronto (Hon. Mr. Campbell). He seemed to me to be arguing in two directions. If these controls were a good thing during the war, and have been a good thing since—I admit that they were necessary during the war, but not that they were therefore a good thing—why would it not be well to continue them permanently? That is precisely the argument that our socialist friends make. Here let me state one of the reasons why I do not like the controls as now authorized by our statutes. The Export and Import Permits Act is part of the law of this country. With the passage of this Bill 85, the Foreign Exchange Control Act will continue in force for the ensuing two years. I submit that should the C.C.F.—the socialist party—come into power tomorrow—

Hon. Mr. Howard: No danger of that.

Hon. Mr. Crerar: —these two measures would provide them with much of the machinery required to carry out their socialist theories. I make no bones about the fact that I am opposed in principle to this measure; but as a supporter of a Liberal administration—or an administration that calls itself Liberal—I am doubly opposed to placing upon our statute books legislation of this nature, which provides the machinery for complete authoritarian control of the commerce of this country. I do not think it is desirable, and I am sure it is not sound.

Now, whence come these ideas of controls? After World War I the controls then in force were abandoned as rapidly as possible. I recall that in the Unionist administration of Sir Robert Borden, I, as Minister of Agriculture, had the supervision of food control in Canada. Some of my colleagues at the time thought that we should not get rid of the controls too rapidly. But the day after the armistice was signed I called the Food Controller to my office—if anyone cares to examine the powers of the Food Controller during World War I, he will find them just as broad as any granted during the recent war—and I said to him, "Prepare now to get rid of the controls as rapidly as possible". True, we could not let them go overnight, just as we cannot get rid of this measure in such a short time; but within approximately two months they were taken off and the people were free to make their own mistakes, if they wanted to do so.

Now, why has the government decided that we should keep certain controls? I cannot believe otherwise than that that decision is due in a large measure to a new school of economic thought which developed between the two wars. There can be no doubt that the economic theories of the late Lord Keynes made a powerful impact upon the world during the inter-war years. It is now pretty generally accepted that the philosophy of the late President Roosevelt's New Deal in the United States was based upon the economic theories of Keynes. Following the rise of Hitler in Germany, a much more sinister effect upon the world occurred through the efforts of an eminent banker by the name of Schacht. He was the man who worked out the financial schemes by which Hitler re-armed Germany and built up the armaments that she possessed at the outbreak of the war. Many of the theories we have today stem back not only to Keynes, but to the devices which Schacht developed and employed for the restoration of Germany. Personally, I am not prepared to take my economic philosophy from a German banker —now serving a prison term, and deservedly so.

Controls have a way of growing and of fastening themselves upon the public mind. We do not like them at first, but we become accustomed to them, we accept them, and finally we think they are good for us. That has been the sequence of progress in this direction in recorded history wherever people have lost their freedom and liberty. It is because of that challenge that I take my stand today against the powers conferred by this bill. For the sake of argument, let us suppose that after the recent war we had thrown the exchange controls out of the window. What would have happened? Our dollar would have suffered a heavy discount—

Hon. Mr. Howard: You bet it would.

Hon. Mr. Crerar: —but would that have imperilled the nation? After the First World War, when exchange control was removed, our dollar went in a short time to a discount of 22 per cent, as compared with the American dollar. Immediately that happened the natural corrective forces commenced to operate in such a way that within a few years our dollar was selling in New York at a premium over the American dollar.

Hon. Mr. Lambert: May I ask my friend a question? In his comparison of the post-war period of the Second World War with that of the First World War, does he overlook the radically changed position of the pound sterling?

Hon. Mr. Crerar: The radically changed position of the pound sterling has not, in my opinion, very much to do with it.

Hon. Mr. Lambert: It has everything to do with the problem today.

Hon. Mr. Crerar: I do not agree with you.

Right Hon. Mr. Mackenzie: Would my friend permit a further interruption?

Hon. Mr. Crerar: Well, it does rather throw one off his line of thought; but go ahead.

Right Hon. Mr. Mackenzie: Two years ago the balance of exchange as between ourselves and the United States had gone down to the sum of $547 million, and if, for the sake of argument, no corrective steps had been taken, and no drastic measures, including the Foreign Exchange Control Board, had been adopted, the Dominion of Canada would very soon have been bankrupt.

Hon. Mr. Aseltine: That is not a question.

Hon. Mr. Crerar: My friend from Vancouver is labouring under an illusion in that respect. I asked for the sake of argument, if we had not been under the necessity of getting a permit for the export and import of goods, but rather had commercial freedom, what would have happened? Our exports to the United States would have immediately gone up because the American prices were higher than Canadian prices. Notwithstanding the fact that we were losing our American dollar balance all through 1947—and I ask my good friend from Vancouver to bear this in mind—the government refused to give permits for the export to the United States of Canadian beef cattle, oats, barley, and many other commodities as well.

Hon. Mr. Howard: And the export of lumber.

Hon. Mr. Crerar: Yes, lumber. That policy was continued throughout 1947, when our American dollar supply was running out. Then in November, 1947, the government adopted the austerity program. I have said before—and I am not one to "back water"—that the adoption of that program was a most unfortunate use of the powers given to the government.

Hon. Mr. Howard: Oh, no.

Hon. Mr. Crerar: I hold this view, that if it were necessary to employ such drastic measures, parliament should have been called into session to discuss them.

Hon. Mr. Howard: That is a different matter.

Hon. Mr. Crerar: These prohibitions on the export of Canadian beef cattle to the United States were not removed until August, 1948. Within four or five months our exports of cattle and beef to the United States amounted to about $70 million. From that one source we got 70 million United States dollars, which helped to correct this "imbalance" in our trade with the United States. So I say to my honourable friend from Vancouver Centre (Right Hon. Mr. Mackenzie) that I am not so sure that we would have reached the position we did if our trade had been wholly free. But there was one other disability that we would have suffered.

Hon. Mr. Lambert: May I ask the honourable senator if he thinks that the Exchange Control Board had anything to do with the lifting of the ban on exports of cattle to the United States?

Hon. Mr. Crerar: No.

Hon. Mr. Lambert: They had nothing to do with it at all.

Hon. Mr. Crerar: Well, I did not attribute it to the Foreign Exchange Control Board; but I say to my honourable friend that it was done under the powers given to the government in the Export and Import Permits Act. My argument is not directed solely against the Foreign Exchange Control Board, but

against this whole principle and its effects. If anyone cares to examine the list of statutory orders and regulations issued on Wednesday, March 9, he will find an order in council which was passed on February 8, 1949, consolidating the regulations which require permits for exportation. For instance, I cannot export oats or barley to the United States. I may be a trader in Winnipeg having an order from say a Chicago customer for 50,000 bushels of oats, but the transaction cannot go through until I have applied to the appropriate authority in Ottawa or Winnipeg and got permission to make the sale.

Hon. Mr. Lambert: That is not a policy of the Foreign Exchange Control Board.

Hon. Mr. Crerar: I am not saying that it is.

Hon. Mr. Lambert: It is the trade policy.

Hon. Mr. Crerar: I know it is the trade policy; but what I am trying to point out is that these things tie in together. In regard to this whole business of control, it seems quite clear that there is a very definite opinion in Washington that there must be a revision of the valuations of currencies, particularly in Western European countries; and while it is always dangerous to enter into the region of prophecy, I for one shall not be at all astonished if, before this year is out—in fact long before it is out—the United States will be putting pressure on European countries to place a realistic valuation on their currency.

Hon. Mr. Haig: Hear, hear.

Hon. Mr. Crerar: And I am not sure that they will not follow the same course as far as Canada is concerned.

The honourable government leader (Hon. Mr. Robertson), in introducing the bill, stated, quite correctly, that one of the reasons for foreign exchange control arose out of our adhesion to the Bretton Woods agreement and the international monetary fund. As regards the conditions of the international monetary fund, Canada or any other country is free to let its exchange fluctuate within a margin of 10 per cent. I am not going to discuss now the point raised by the leader of the opposition (Hon. Mr. Haig), whether it was wise or unwise to restore our dollar to parity in relation to the United States. However, we adhered to the Bretton Woods agreement. By this agreement, it was decided to establish an international monetary fund, which, it was expected, would be the agency to regulate exchange difficulties between the nations; and also an international bank for reconstruction and development, to function as an agency to loan money under banking conditions to European nations for the re-establishment of their economies.

Hon. Mr. Robertson: And to other countries.

Hon. Mr. Crerar: And to other countries, for that matter: my honourable friend the leader of the government is quite right. Now, it is a fact that the Bretton Woods agreement has not produced the results expected of it. No one will deny that.

Hon. Mr. Haig: That was the prediction of the Social Crediters.

Hon. Mr. Crerar: The chief reason for its lack of success was that the task of rebuilding the world is so much greater than was envisioned at the time the agreement was made that it became of very little value.

Hon. Mr. Howard: There was not enough money in the world.

Hon. Mr. Crerar: That agreement has been superseded by what? By the American and Canadian loans to Britain; by the loans made by the United States and ourselves to other countries that we have financed; by the so-called Marshall plan, the E.C.A. plan which has made American dollars available to Europe for purchases from the dollar areas. Let me say in passing that had the United States not inaugurated that wise, far-seeing policy, the economy of this country today would be in a pretty difficult position. We need not disguise the fact that our happy situation at the moment is due in large measure to the fact that Marshall dollars, so-called, were available for purchases in Canada for Europe.

I have talked at greater length than I intended. I believe profoundly that the only sure way for the world is to get back to multilateral trade and remove the barriers that now impede it. I am delighted to see at times indications among our good Conservative friends of a return to, shall I say, reality in these matters.

Hon. Mr. Haig: We are becoming the Liberal party.

Hon. Mr. Aseltine: We invite you to join us.

Hon. Mr. Crerar: As a matter of fact, my honourable friends are not placing quite the importance they formerly did upon protective measures in fiscal policy.

Right Hon. Mr. Mackenzie: The death knell of protection!

Hon. Mr. Crerar: Naturally, being one who believes in the freest possible trade between nations, these indications give me hope and enouragement. But, make no mistake about it, currents of world trade have changed very greatly for the time being as a result of the war. It is not without some reason that Great Britain today is making bilateral pacts with European countries for the exchange of

her manufactured goods for their food and raw materials. Britain has lost practically all her investments in the Argentine and the greater part of her investments in Canada and the United States, and therefore, of course, is deprived of the income therefrom which formerly provided her with exchange to buy Canadian wheat and lumber. Conditions will not easily be reversed, and they may have left a permanent mark upon international trade.

What, then, is the position of this country? I absolutely hold—and in this my honourable friend from Ottawa (Hon. Mr. Lambert) will agree—that the shortest way out of our difficulty and the surest way of maintaining prosperity in this country for many years to come is to secure the widest possible trade arrangement we can with the United States.

Some Hon. Senators: Hear, hear.

Hon. Mr. Crerar: I have never been able to understand the opposition of certain people in this country to that proposal; nor how Canada, with a population of almost 13 million, can lose anything in a good trade arrangement with the 150 million people who live right across our border. We produce many of the commodities that the United States require, and they produce many of the goods that we cannot produce in this country and which we require. The sensible thing to do is to promote the freest possible trade. But we cannot do that if we are going to place restrictions in the form of permits and all that sort of thing on the shipment of our goods to the United States. The maintenance of these controls on beef cattle and on certain commodities was undoubtedly influenced by the desire to keep down the cost of living in Canada. But as a westerner and, I may add, as a farmer, I do not think it is altogether just—in fact it is unjust—that a certain class of the community should be penalized on the price they can get for the product of their labour, in order that a benefit may be conferred upon the community in general.

Hon. Mr. Haig: Hear, hear.

Hon. Mr. Crerar: Sooner or later we must get away from that, and the sooner the better. While I have no more use for this measure today than I had when it was before this house three years ago, I am not going to oppose its passage because I think one has to be practical in these matters. If this legislation were to expire on midnight, Saturday, it would undoubtedly create a great deal of confusion and chaos in this country, and this we should avoid.

Honourable senators, I earnestly hope that this measure will never come before us again.

Some Hon. Senators: Hear, hear.

Hon. Norman P. Lambert: Honourable senators, I quite agree with the concluding remarks of the honourable senator from Churchill (Hon. Mr. Crerar), when he spoke of the value and merit of free trade with the United States. By interrupting once or twice I did my best to keep him on that thought, but I believe there is a tendency to confuse our trade policy with our exchange control or monetary policy. In my remarks I shall endeavour to make the line of demarcation clear.

First, I wish to correct any impression that might exist in the mind of my right honourable friend from Vancouver Centre (Right Hon. Mr. Mackenzie) who yesterday said that I had bitterly criticized this bill three years ago. I think it is only fair to say that we are not now dealing with the same bill that was presented to us at that time.

Hon. Mr. Howard: Hear, hear.

Hon. Mr. Lambert: Let us make that very clear. My honourable friend from Churchill (Hon. Mr. Crerar) said that he is as much opposed to this bill now as he was three years ago; but that is an impossibility, because this is not the same bill.

Hon. Mr. Haig: What is the difference?

Hon. Mr. Lambert: All I would need to do would be to review the circumstances—but this would be a futile digression in relation to what I have to say.

Honourable senators will recall that when the original bill came to this house it contained a great many provisions which proved objectionable to a majority of honourable senators; consequently the substance of the bill was referred to committee for discussion before the bill was given second reading. Subsequently the bill was returned to this house for second reading, and at that time my honourable friend from Churchill (Hon. Mr. Crerar) and, I believe, my honourable friend from Toronto-Trinity (Hon. Mr. Roebuck), both wanted to dispose of it completely. We were able to prevail upon them, and those of their opinion, to have the bill returned to committee so that officials of the Foreign Exchange Control Board could be questioned. It was then that we were able to effect a number of amendments to the bill—sixty-seven in all. Thus, the bill now before us is the original legislation with those sixty-seven amendments. Therefore the question of whether or not we approve the Foreign Exchange Control Board administration for an additional two years is a very different proposition under this bill from what it was in 1946.

My first reason for thinking that the Foreign Exchange Control Board administration

should be continued for another two years is that it involves a commitment to an international body. In my opinion, to withdraw from that body by defeating this bill would be equivalent to having Canada withdraw from membership in the United Nations without giving any notice. There is a high moral commitment in connection with the International Monetary Fund. Whether or not we agree that this fund has achieved much towards regulating and stabilizing world currency, it must be remembered that the United Nations has been unable to attain anything like the objectives hoped for when the Charter was signed in San Francisco in 1945. The fact that Canada is about to approve the North Atlantic Pact is a pretty good commentary upon the hopeful but unrealistic view taken of the United Nations Charter in 1945. Therefore, I think this house, when considering this bill, should bear in mind the international ideal involved, and our commitment to do our share in this particular sphere to bring the world to a more peaceful and normal state of living than it has enjoyed for several years.

Once again I would remind honourable senators that the fundamental thing to remember is the distinction between trade and exchange or monetary problems. In my opinion one of them, as my honourable friend from Churchill (Hon. Mr. Crerar) has so forcibly emphasized here today, is basic and fundamental; the other is ancillary and secondary.

The Exchange Control Board which was set up in this country when war broke out was intended as a defensive instrument to protect this country's financial strength so as to make our part in the war more effective. Canada was an active participant in the war for more than two years while the United States was still a neutral country, and one does not require very much imagination to realize that a flight of capital from this country during those years would have greatly hampered our efforts to co-operate with those nations that then were our military allies. To my mind the argument that the Exchange Control Board should be as useful in peacetime as it was during the war is not a sound argument, but I believe that until some of the international economic relations contemplated in documents such as the Atlantic Charter can be established all over the world, so that every nation will have free access to all sources of food and raw materials, we shall need defensive instruments by which to gauge the vitality and strength of our economic and financial life.

Right Hon. Mr. Mackenzie: Would my honourable friend permit a question?

Hon. Mr. Lambert: Certainly.

Right Hon. Mr. Mackenzie: I have given some little study to economic problems, and I know that in the economics of industry there are three great factors: production, distribution and exchange. My honourable friend will pardon me if what I am saying seems academic. He himself is a very able economist and I would ask him if he does not think that exchange is the vital factor in governing the trade policies of the world?

Hon. Mr. Lambert: I agree that the economic factors of industry are those mentioned by my right honourable friend, but I do not agree that exchange is the determining or predominant factor. I think that production and distribution are inseparable, and that our trade policies must be formulated so as to provide a basis for exchange. I may be old fashioned in adhering to that classical view of economics.

The senator from Churchill (Hon. Mr. Crerar) emphasized the disruption and dislocation that have taken place in Europe as a result of the war, and I think that in so doing he has given the main reason why we must maintain a certain control of our monetary relations with other countries. It is easy to picture, for instance, what would happen to the sterling bloc countries and France if the pound sterling and the franc were completely freed from exchange control. Trade with those countries would immediately become chaotic: there would be no basis at all for intelligent assessment of the value of their goods. Until the world in general is wise enough to recognize that there have been fundamental shifts in productive areas and in the economic position of countries that now command most of the world's purchasing power, we cannot dispense with instruments such as the Foreign Exchange Control Board.

As to the desirability of freer trade with the United States and with the world in general—in other words, the desirability of carrying out some of the idealism contained in the Geneva trade agreements and the Havana charter—I think there would not be much difference of opinion between my honourable friend from Churchill (Hon. Mr. Crerar) and me, but I believe it is wrong to assess our exchange control operations in terms of present trade restrictions. The restrictionist measures that were brought into effect in the fall of 1947 were the result of a trade policy, and the Foreign Exchange Control Act was used as a convenient means of effecting that policy. Surely none of us who sat around the table during discussions in the Banking and Commerce Committee in the summer of 1946 were surprised that our dollar exchange was running out. Mr. Towers made it perfectly clear that that

would happen. Some of us tried to emphasize then that as a means of offsetting our dollar shortage it was better to expand our exports to the United States than to create restrictions. I should like to say now that if that had been done in 1946 it is likely that the need for further control of exchange and other restrictionist measures would not have existed.

Hon. Mr. Horner: May I ask the honourable gentleman a question? In view of what he has just said, what possible excuse could the government have had for refusing to permit export of farm products to the United States during the war? What is the answer to that?

Hon. Mr. Lambert: With reference to the point raised by my honourable friend, I should like to make it clear that what I have just been saying has been by way of emphasizing the distinction between this exchange control and a trade policy. If we want to discuss reciprocity with the United States or questions arising out of international trade agreements, let us do so, but we must be careful not to blame the exchange control administration for something that is really not its responsibility at all. I agree with my honourable friend as to the desirability of greater trade with the United States.

Hon. Mr. Horner: I think that question and the exchange question are bound together.

Hon. Mr. Lambert: Exactly. But one is basic and the other is secondary. That is the point I am trying to make.

Hon. Mr. Burchill: Will my honourable friend permit a question? Do I understand him to imply—I do not think he said—that he disagreed with the government's policy of 1946 in placing our dollar on a parity with the United States dollar?

Hon. Mr. Lambert: I was not referring to that, but since my honourable friend has asked the question I may say that in my view the placing of our dollar on a parity with the United States dollar was a wise anti-inflationary move. Honourable members will recall that in those days there was a real problem. If I might digress still further, I would submit that the action taken by Mr. Truman during his presidential election campaign and the measures afterwards proposed by him confirmed the wisdom of the position taken by this country with regard to our dollar in 1946. There is no doubt that Mr. Truman and those associated with him recognized that decontrol had been put into effect in the United States too early, and thereby led to very serious inflation.

In 1946 it was apparent to us that our American dollars, at the rate at which we were using them, would soon run out. We had two alternatives: first, to take certain steps to increase our export trade to the United States, and second, to do what was finally done in the fall of 1947, adopt austerity measures.

If we are discussing the trade question, I personally have no hesitation in saying that I should like to see more positive steps taken towards developing the export trade of this country with the United States and other parts of the world. I should like also to see Canada clarify her position which, to me, looks like vacillating between the sterling bloc on the one hand and the American dollar on the other.

Sooner or later I think we must choose our position in relation to the trade question. Having done that we would then meet the problems which have arisen through our bilateral agreements on food and other commodities. We are beginning to question Great Britain quite severely, I think, concerning her present policy of making barter deals and bilateral treaties with countries in the soft currency areas and, to a certain extent, thereby delaying world recovery. In the end, the acid test of our ability, and that of the world, to recover a peaceful and normal state, will be the re-establishment of the kind of commercial intercourse which characterized international relations in pre-war years. Until the ground for such a relationship is prepared, I see no escape whatsoever from these defensive instruments, such as the Exchange Control Board, which must keep its hand upon the pulse of our dollar value and currency circulation.

Hon. Arthur Roebuck: Honourable senators, at the outset allow me to call to the attention of the house the high plane on which the debate has been maintained this morning. Honourable members have been applying their experience, knowledge and wisdom to the problem at hand without prejudice, quietly and judicially, and with very little attention to party lines. The clock points a warning hand, and for that reason my remarks will be brief.

Honourable senators will recall that when the Foreign Exchange Control Bill was first before this house I opposed it on the matter of principle as vigorously as I could. I said at that time that I was opposed lock, stock and barrel to the measure and that it did not matter whether it was amended in small details or not. The senator from Ottawa (Hon. Mr. Lambert) has just referred to what are sometimes called "the Heintz 67 varieties" of amendments made to the bill, and has said

that in its final form the bill contained the original general principles, though ameliorated, perhaps, to some degree, particularly in the respect to duration. The bill was returned to this house and, with a great deal of doubt in the minds of honourable senators, it was voted upon.

The honourable senator from Ottawa has just given us a dissertation on the principles of economics as applied to trade on the one hand and exchange on the other. I do not propose to enter into that phase of the discussion, except to say that there is not much difference between telling a businessman that he cannot buy goods from his neighbouring country, and saying that he will not be allowed to pay for them. One is a trade restriction, the other is a financial restriction, but the result is exactly the same. The Foreign Exchange Control Bill before us is just another of the manifestations of the philosophy of protection, with which I entirely disagree.

I was very pleased with the stand taken by the leader opposite (Hon. Mr. Haig). It was entirely non-partisan, and seemed fraught with clear thinking.

Honourable gentlemen will remember that when this measure was last under discussion I said I was not in favour of the suggestion generally advocated by those opposing the government, namely, to fix the rate of exchange. I was as much opposed to a measure which stated that our dollar was worth 90 cents as I was to the statement that it was worth 100 cents. What I ask for and believe in is a free economy, and the quicker we get back to it the better it will be for the people of this and other countries.

I agree wholeheartedly with the excellent and forceful statements made by the senator for Churchill (Hon. Mr. Crerar). I too am a free-trader, and I believe that our salvation lies in getting rid of controls and allowing business interests to pursue their own advantage in their own way.

The question now is whether or not the board has in the past three years accomplished anything which justifies the renewal of its powers. It has been pointed out that our balance of some $500 million of exchange has been expanded. The honourable senator from Vancouver (Right Hon. Mr. Mackenzie) was impressed by the fact that our exchange balance, of approximately a billion and a half dollars at the close of the war, had decreased to half a billion dollars by the time the drastic measures were adopted. The reason for that, in my opinion, is that foreign exchange was a monopoly, and that men who were not realists were put in charge of it. I have no criticism of the officials of the board, personally; they are courteous and no doubt well-intentioned men. They have exercised the drastic powers given to them with as much moderation and sympathy as, under the circumstances, one could expect from any official. Our first great blunder was the retaining at the close of the war of a government monopoly of foreign exchange. We should have allowed natural laws to take their course at that time. Then our difficulties arose.

Hon. Mr. Lambert: May I ask my honourable friend what he means by a "government monopoly of exchange"?

Hon. Mr. Roebuck: It is obvious enough, is it not?

Hon. Mr. Lambert: It is an international matter.

Hon. Mr. Roebuck: The government required that every person in Canada who came into possession of United States or other foreign dollars should deposit them in the bank; the money came to Ottawa and was made a government monopoly. All foreign exchange was in the hands of the government.

Right Hon. Mr. Mackenzie: Surely there is a tremendous difference between national policies on foreign exchange and control boards, and the international factors which relate to and affect credit and other economic conditions between nations.

Hon. Mr. Roebuck: Perhaps so; but the fact is that we gathered into government hands all foreign exchange.

I fear that I shall exceed my time if I get into that discussion. I think we should continue this debate on the motion for third reading, after we have heard from the government's advisers, so I shall refrain at the moment from trying to make all these points clear as I see them. May I have just two or three minutes more, and then, if no one else wishes to speak, we can adjourn the house.

Our great difficulty in the matter of exchange—our loss of exchange in fact—was due, as has been said, to the ban on the sale of cattle and grain, the government's monopoly of gold, and the government's monopoly of the purchase and sale of wheat.

Hon. Mr. Campbell: When the honourable gentleman suggests that the adverse trade balance was due to these prohibitions, does he not realize that we have never had a favourable trade balance with the United States?

Hon. Mr. Roebuck: That is true. The honourable senator from Toronto (Hon. Mr. Campbell) modestly said that he was not an

economist, and then proceeded in such clear and simple terms to state his views that I was proud that he came from the same city that I come from. At the same time I cannot go with him all the way to his conclusions. I shall not discuss the question of bilateral trade, which you all understand. I shall gain nothing by doing so. Our adverse trade balance came about in the main because of our government's interference with the sale of our commodities. The Foreign Exchange Control Board make the boast that our position has improved in the past three years. My submission is that the improvement has come about, not from the operations of the Control Board—or at all events only in a very small degree—but rather by reason of the freeing of the sale of our farm products, the encouragement of the sale of our commodities to the United States, and the promotion of the production of Canadian goods of a kind formerly purchased in the United States. The board's contribution through its restrictions upon travel, and other interferences, is so small in the general picture of recovery which I am trying to sketch, that I think it justifies the statement which I made three years ago, that the medicine was worse than the disease.

Much of our confusion of thought on this matter of exchange and money lies in the fact that on the two sides of the border we call the tokens of exchange by the same name—dollars. The point of vital importance in these matters is the purchasing power of the token of exchange in use on our side of the line as compared with the purchasing power of the token of exchange in use on the other side of the line. That is to say, when our dollar will purchase more in our own country than it purchases abroad, there are economic effects quite aside from the names of the tokens, whether "dollars" or something else. When we are buying more from the United States than we are selling to her, or can justify in terms of three-cornered trade, it follows by natural laws that more can be bought on our own side with our own money than can be bought with it on the other side. So soon as that occurs, people on our side cease to buy across the line, where their money will not purchase so much, and either buy in Canada or get along somehow with what we can produce. In that way trade can be regulated much more smoothly, properly and normally; and it is that principle which has guided us in the past, because present methods of control are quite new. From the end of the First World War until the beginning of the late war we got along without the services of these estimable gentlemen, and we could get on without them today.

At the same time, I have to agree with the honourable senator from Churchill (Hon. Mr. Crerar) that to defeat this bill, and thereby bring upon the country a very drastic change with which those in authority are not in agreement, is not the way to deal with this problem. It must be done by administrative procedure, step by step—

Hon. Mr. Howard: That is right.

Hon. Mr. Roebuck: —not by the drastic action of precipitately defeating a measure which within a few hours will expire by effluxion of time. We would not be realists, we would be very reckless, if we threw out this measure; but we will not be reckless if we consider it with an open mind and vigorous thought in the Banking and Commerce Committee and again amend it, particularly in respect of the time limit, when it comes back for third reading. That is all I will take time to say at the moment.

Some Hon. Senators: Question.

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

REFERRED TO COMMITTEE

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

The motion was agreed to.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Friday, March 25, 1949

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

Prayers and routine proceedings.

CANADIAN COMMERCIAL CORPORATION BILL

FIRST READING

A message was received from the House of Commons with Bill 122, an Act to amend The Canadian Commercial Corporation Act.

The bill was read the first time.

SECOND READING

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

Hon. Mr. Robertson: Before I move the second reading of the bill, may I with leave of the Senate, explain what I purpose asking the house to do this afternoon? This bill is one of the measures which will expire tomorrow night, and which, therefore, I shall ask the house to consider this afternoon.

In due course His Honour the Speaker will announce that at least one more bill—the Mail Contracts Supplementary Payments Bill—has been received from the House of Commons. He will also announce the arrival of the Agricultural Products Bill, if it reaches us in time. As these bills do not expire until the end of the month, I shall not ask that they be given second reading before next Monday; I shall, however, ask the house to proceed this afternoon with the second reading of the Canadian Commercial Corporation Bill, which expires tomorrow night. After it has had second reading, I propose to refer it to the Standing Committee on Banking and Commerce, where the Minister of Trade and Commerce and the Deputy Minister of Finance will be available for questioning. The house can then deal with the reports of the committee on the two bills that were before it yesterday, and when they have been disposed of and the bills have been read the third time, I propose to move that the Senate adjourn during pleasure so that we may consider the Commercial Corporation Bill in committee. In due course we will return to the Senate, and deal with the bill here.

I have no way of knowing exactly how long the Senate will take to deal with this measure, but tentative arrangements have been made for Royal Assent at a quarter to six this evening. If this bill is not ready then, the ceremony can be postponed until 10 o'clock tonight. I am hoping that by half-past four or a quarter to five I may be able to indicate to the Prime Minister whether or not Royal Assent will be possible at a quarter to six.

Honourable senators, with that explanation, I would move that this bill be now read a second time.

Hon. Mr. Roebuck: Would the honourable leader (Hon. Mr. Robertson) tell us what possible excuse there is for asking this house to rush legislation of this kind? I do not know anything about it; I have not heard of it before, and I cannot see what is involved or what terrible thing will happen should we decide not to gallop along at such a pace.

Hon. Mr. Robertson: The two bills dealt with yesterday and the one now before us expire "sixty days after the opening of parliament," which is tomorrow night. The other two bills are not quite so urgent.

Hon. Mr. Roebuck: It has been known for a long time that these Acts would expire sixty days after the opening of parliament.

Hon. Mr. Robertson: I am quite conversant with that fact, which is something that is beyond my control. I am simply making the best explanation that I can of the situation. What this house sees fit to do is its own concern.

Right Hon. Mr. Mackenzie: Pursuant to what has been said by the honourable gentleman from Toronto-Trinity (Mr. Roebuck), may I ask whether this bill makes any drastic alterations in the legislation which we had before us a year ago?

Hon. Mr. Robertson: I could explain the bill in about two minutes if I were given an opportunity to do so.

Hon. Mr. Haig: Honourable senators, I think it would be to our advantage to allow the leader of the government to make his explanation, and then we could say whether or not we should go on with the bill. I do not think the bill would make much change. It does propose one drastic change, which I do not particularly like, although I do not see any great harm in it. I refer to the removal of any time limit to the life of the corporation. Also, the bill would increase the amount of money that the corporation may lend, to $10 million, a sum which seems very small in comparison with the large amounts that we have heard mentioned in late years.

Hon. Mr. Robertson: As I pointed out a few moments ago the Canadian Commercial Corporation Act will, because of an amendment inserted by the Senate in 1946, expire 60 days after the opening of parliament—that is tomorrow night—unless this bill is passed. Hence my reason for asking—despite all that

has been said by some honourable members about matters as to which I am powerless—that the bill be given second and third readings today, if the Senate sees fit. I might remark here that I intend to present to the house later on, when I have more time, a suggestion which I hope will receive serious consideration. However, that is another matter.

This bill seeks to amend the Canadian Commercial Corporation Act. The corporation was established in 1946, and part of its function was to take over the activities of the Canadian Export Board, which up to that time had arranged for the procurement in Canada of various civilian supplies for foreign purchasers. The corporation was also empowered to act as agent for the obtaining in other countries of goods to be imported into Canada. This function of the corporation was necessary because the international allocation of certain commodities had resulted in a short supply in Canada, and it was thought that through the corporation we could be assured of getting our full share.

In 1947 the powers of the corporation were further extended, in that it was authorized to serve as agent to contract for and obtain supplies on behalf of the Department of National Defence. This function had originally been exercised by the Minister of Trade and Commerce, in pursuance of government policy that a civilian department should obtain supplies required by the various branches of the Department of National Defence, a policy that greatly reduced administrative expenses.

The bill before us further amends the Canadian Commercial Corporation Act in three respects. Section 1 of the bill authorizes borrowings by the corporation. It also provides that when the corporation's services are used by a department or agency of the government, the corporation may recover its proper out-of-pocket expenses and proportionate overhead from the agency or department concerned. Section 2 extends the life of the Canadian Commercial Corporation.

In referring to the amendments I intend to deal with them not in the order in which they appear in the bill, but by taking first the one that I consider to be of major interest to the Senate.

The first point, although it is under section 2 of the bill, is that the life of the corporation is extended. In 1946 when the Act was introduced, it was recognized that the period of international disturbance and the conditions which arise from it would continue for a considerable period, and the measure came to this house without any limitation as to time. This honourable body in its wisdom decided that there should be some limitation on the life of the corporation, and fixed it at three years. Now, sixty days after the opening of parliament, this measure is expiring.

The government now proposes that the life of the corporation should be extended indefinitely, for two reasons. First, it is felt that the corporation, which will continue to exercise its function as a purchasing and contracting agent for the Department of National Defence, should be in permanent form. Second, for some considerable time it has been apparent that international conditions and uncertainties will still affect, though in less degree, the supply of products vital to Canada's economy. For instance, there has been an uncertain situation in Malaya, where tin for Canadian use is obtained. The Canadian Commercial Corporation was engaged to procure tin from Malaya, with the result that the maximum amount available was secured.

Section 8 of the original Act provided that the corporation should have a certain fund to carry on its activities. This fund was to be used for current expenditures only, and when a purchase was made the corporation was to be immediately reimbursed by the department or agency concerned. The corporation now finds that it requires all of this fund to carry on its day-to-day operations, and it is proposed under this bill that the corporation be authorized, with the approval of the Governor in Council, to borrow $10 million from the Minister of Finance. This advance is not for the purpose of increasing the current account, but to ensure, should the anticipated or actual shortage of any commodity make stockpiling necessary, that there will be sufficient funds for that purpose.

Right Hon. Mr. Mackenzie: Would my friend permit a question? Does he refer to subsection 2 of section 1?

Hon. Mr. Robertson: I was referring to section 1, subsection 2 of which deals with borrowing. I dealt with section 2 of the bill first, because I felt that it was of greater interest to the Senate.

Prior to May, 1948, expenses incurred by the corporation on behalf of other agencies of the government were paid by the department or agency concerned. The Deputy Minister of Justice then expressed the opinion that there was no statutory authorization for this, and the practice was discontinued. It is now proposed through this amendment to legalize the practice for the future.

At this stage I should like to present briefly a few facts to indicate the extent of the activities of the corporation. Since its establishment it has made purchases in Canada

for foreign governments and other agencies to a total value of $272 millions, an amount far in excess of the credits granted by parliament in respect of such purchases. In other words, purchases made in Canada for those seeking our products are materially in excess of the credits extended by the Government for this purpose. As agent for the Department of National Defence, the corporation has placed more than 113,000 contracts, to a value of about $200 million. As was anticipated, it has effected important savings in costs of administration and has improved general efficiency. The Minister of Trade and Commerce has stated that he knows of no other purchasing agency, governmental or civilian, which operates as economically as this corporation. Since 1946, when the bill was introduced, the activities of the corporation in the field of foreign trade have been steadily decreasing, and now it only exercises its powers in that respect under unusual conditions and very much less frequently. Most of its day-to-day activities consist of exercising its functions on behalf of the Department of National Defence. As I have said before, there is some reason to believe that because of the uncertain international situation a shortage of certain commodities may occur at any time. The government wishes to ensure that Canada shall be able to obtain the maximum amount of these commodities for distribution to both small and large users in this country. It does not intend to, nor will it, use the corporation in competition with individual exporters or importers.

I have outlined as briefly and clearly as I can the principal points of this measure. From my past experience—because the bill was before us previously—I am of the opinion that the item relating to larger borrowing powers will not be seriously questioned, since it is well known that the activities of the corporation as a purchasing agent of the Department of National Defence may be materially increased, and that, in respect of such commodities as tin, some stockpiling will probably be necessary. That point, I think is not very important. The statutory provision that a certain amount of costs and operating expenses may be charged by the corporation to the department for which it will act, seems only reasonable. From what I know of the background of this measure, I imagine that any discussion of it will probably revolve principally around the question whether the corporation should be continued indefinitely instead of, as was enacted in 1946, for a fixed period; that is, whether conditions have changed to such a degree as to warrant such continuance. I do not know that I can be of much assistance in determining that question; but if, apart from details such as this, the general principle of the bill receives the approval of the house, I will arrange to have it sent as soon as possible to committee, where I have asked the Minister of Trade and Commerce and officials of this department to attend in order to amplify the explanation I have already made.

Hon. Mr. Howard: And answer questions.

Hon. Mr. Aseltine: Can the honourable leader tell the house how many persons are employed by this corporation?

Hon. Mr. Robertson: I am sorry that I cannot.

Hon. Mr. Aseltine: And how much money they receive in salaries?

Hon. Mr. Robertson: I have not that information, but I am sure it will be available to the committee.

Hon. John T. Haig: When the measure which it is now sought to amend came before us, Canada was lending money in varying amounts to certain nations. For example, if some foreign state proposed to spend $30 million on Canadian goods, we would put up, say, $15 million, and they would provide the balance. But they needed some body with which they could deal, and this is the agency that was used. I still think that it was an excellent arrangement.

In the past I was never able to determine how the government did its buying: apparently a good deal was done by the Department of Trade and Commerce, and each department purchased for its own requirements. I think the present method is a great improvement, although like everything of this kind, it depends on the man who is running the show.

Some Hon. Senators: Hear, hear.

Hon. Mr. Howard: That is right.

Hon. Mr. Haig: From my knowledge of the Deputy Minister of Trade and Commerce, who was with us in New York in 1946, I am not at all uneasy about the way in which the department is being run under his administration. My only misgiving about an organization of this kind is that it tends to get away from parliamentary control. I know how an agency of this kind operates in a much smaller way, because for the past thirty years Manitoba has had a purchasing agent who purchases for the regular departments and other branches of the government. All must requisition through him and he is responsible to the legislature—by whom he is appointed —not to the government. This plan has worked very successfully in our province.

Officials of this commercial corporation have been drawn from other departments,

and the suggestion was made to me that these men were receiving much higher salaries than they had been getting in their previous positions. However, it frequently happens that a man up to the age of 30 or 35 may occupy some niche which he does not fit into, and when he gets a position for which he is well suited he is probably worth a larger salary, so I make no criticism on that ground.

I am in agreement with the proposal to the repeal of the time limit. In such a measure as the Foreign Exchange Control Bill which was before us yesterday, I strongly favour a strict time limit. To illustrate my meaning, if I am not out of order, I would adopt what the honourable member from Churchill (Hon. Mr. Crerar) said of certain measures, that if they were to be continued indefinitely, a government which wished to pursue the policies favoured by the present government of Great Britain, would need no more legislation to carry its platform into effect. But this is not the kind of bill to which that argument can be applied.

Honourable senators, I cannot speak for my party, because we did not know anything about this bill until a few minutes ago, but I am personally in favour of this legislation. I think it is along the right lines, though I would not be so strongly in favour of it if I did not know the man running it. I believe this legislation will be well administered.

Honourable senators, I think the government should be told that future legislation of this kind should not come to this house in the dying hours of a sixty-day period. It is not fair; it is not fair to the people of Canada, and although this house will probably pass the bill, honourable senators will be unable to give it the consideration it deserves.

My feelings are similar to those of the member from Toronto-Trinity (Hon. Mr. Roebuck) a day or so ago when he said he was so uncertain about a bill that he wanted the night to think it over. If honourable senators had a week or ten days to study this legislation I think they could give it much better consideration. It must be remembered that the Senate does its best work in committee, where honourable senators can question witnesses and fully discuss the measure before them. In my short experience of fourteen years in this house the Senate has made valuable and worthwhile amendments to legislation, but it cannot do this if it is hurried.

Hon. Mr. Aseltine: This measure was discussed for only one day in the other place.

Hon. Mr. Haig: That is just as bad. It must be remembered that there is a difference between our two houses of parliament. Members of the other place are elected by the people, and whether they like it or not they have to stand for election every four years. They are always aware of this fact, and cannot give to legislation the same detached consideration that it receives in the Senate.

Hon. Mr. Beaubien: They talk too much.

Hon. Mr. Haig: When my honourable friend from Provencher (Hon. Mr. Beaubien) was a member of the other house he was not so very quiet. I used to read his speeches, and I know he was as talkative as the rest.

Honourable senators, I am in favour of this bill, and under the present circumstances I do not wish to delay its passage. I am willing that it be sent to committee this afternoon, but I would tell my honourable friend opposite (Hon. Mr. Robertson) that I do not like such hasty procedure.

Right Hon. Mr. Mackenzie: Hear, hear.

Hon. Mr. Haig: I do not blame my honourable friend for it. I blame the people who laid out the strategy for this session. They should have realized that this is an election year and that there was bound to be a great deal of talking done. Some honourable senators may argue that had parliament met early in January the legislation would still have expired sixty days after the opening of the session. That may be true, but the Speech from the Throne could have been postponed and this legislation like the Newfoundland measure could have been put through. I think parliament would have permitted the government to do that. I criticize the government for laying this legislation on our doorstep just when the Governor General is coming through the front entrance.

Hon. T. A. Crerar: Honourable senators, far be it from me to interfere with the mild criticism made of this measure by the honourable leader of the opposition (Hon. Mr. Haig). The so-called analogy he has drawn with the province of Mantioba is in fact no analogy at all. It is true that the government of Manitoba has a purchasing agency, but it is only a purchasing agency for the supplies of that government. It does not go beyond that. If this bill were confined to the matter of purchases for the Department of National Defence, no reasonable objection could be made to it; but it goes much farther.

If honourable senators recall the discussion of this measure when it was before us for the first time, they will realize that this legislation puts the government into business in a big way. It may be that the agency of government performing these functions was useful and helpful immediately following the war, but I must remind honour-

able senators that the war has been over now for four years. This bill proposes to fasten on the people of Canada, without limit as to time, a government agency for doing commercial business in any field it wants to enter. That is the provision which is being extended by this bill. I was really amazed to hear the honourable leader of the opposition (Hon. Mr. Haig) say that he had no objection to the unlimited time provision in section 2 of the bill.

Honourable senators, I am not going to discuss this measure at length, because I realize that it will probably be passed in its present form. I do wish, though, to protest against embedding permanently in our legislation the idea of a government being empowered to continue indefinitely in ordinary commercial business. The honourable leader of the opposition has said that he knows the Deputy Minister of Trade and Commerce, and that he feels this measure is quite safe in his hands. What would happen if a C.C.F. or some other government should come into power and want the Deputy Minister of Trade and Commerce to do something that he did not want to do? If he refused, that government would quickly get rid of him.

This legislation, along with the Foreign Exchange Control Bill, puts into the hands of any future government, practically unlimited power to control the commercial life of this country. It also will give it power to pass out favours here and there. I can imagine that Canada might possibly get a government that would be quite willing to pass out favours from which it might reap some reward. Canada has had such governments—provincial and federal—in the past, and it may have them again. I object in principle to giving this power to any government, whether it be a Liberal government, a Duplessis government, a C.C.F. government or any other kind of government. It is unsound and unwise to do this, and I deeply regret that the government has seen fit to propose a removal of the time limit from this legislation. After all, there is some protection in the fact that every one or two years a government must come back to parliament and give an accounting of what it has done.

Honourable senators, I would like to see in this bill a limitation of time, similar to the one contained in the existing Act.

Right Hon. Ian Mackenzie: Honourable senators, I just want to say that I entirely support the remarks made by the honourable senator from Churchill (Hon. Mr. Crerar), and in doing so I would refer honourable senators to section 2 of the bill, the explanatory note of which reads as follows:

> The repeal of section 19 of the Act has the effect of continuing without specific time limit the life of the corporation.

I say without the slightest hesitation that that paragraph is a complete negation of Liberalism and a complete usurpation of the principles of democracy. We should move an amendment providing for the review of this measure by parliament every year. The people's parliamentary representatives, those elected to the other house and those appointed to this chamber, should have the right to review this legislation annually. Who in the world conceived this section? Where did it come from?

Hon. Mr. Robertson: May I answer my right honourable friend?

Right Hon. Mr. Mackenzie: Yes.

Hon. Mr. Robertson: It was originally the idea of the government of which my right honourable friend was a member.

Right Hon. Mr. Mackenzie: I must deny that. I was in the government before my honourable friend, and I never consented to any legislation of this nature.

Hon. Mr. Robertson: It came from that government. It was government legislation, introduced in 1946 when my right honourable friend was the senior member of the government—

Hon. Mr. Howard: And leader of the House of Commons.

Hon. Mr. Robertson: Yes, and when I was the junior member of the government. And that legislation was brought over here and amended in the Senate.

Right Hon. Mr. Mackenzie: At that time certain things were done that I was not in accord with—things which I cannot discuss here now—as my honourable friend knows very well.

Hon. Mr. Robertson: That may be so, but it is part of our theory of government that if we do not agree with things that it does we get out.

Right Hon. Mr. Mackenzie: If you believe in the essential ideas of Liberalism it is a great thing to assert your own principles, when you can assert them. I say that this extension is a negation of Liberalism and a usurpation of the essential principles of democracy. The life of the corporation should be subject to renewal by parliament every year.

Hon. Mr. Haig: Will the right honourable gentleman answer a question for my informa-

tion? If the Commercial Corporation Act was not in effect at the present moment, who would buy supplies for the Department of National Defence or, say, the Department of Public Works? Never having been a member of the government, I am not familiar with this matter. I always thought that every department purchased its own supplies. If the C.C.F. party came into power would each department buy its own supplies?

Right Hon. Mr. Mackenzie: Yes.

Hon. Mr. Howard: Certainly.

Hon. Mr. Haig: Then there would be no change.

Hon. Norman P. Lambert: Honourable senators, I would like to say a word or two, first in reference to the functions of the government purchasing agency. I think we all understand the distinctive function of such an agency, and those of us who have had any practical experience in connection with government purchasing will agree that the system of purchasing through the corporation is a great improvement over departmental purchasing.

Hon. Mr. Sinclair: Hear, hear.

Hon. Mr. Lambert: I do not know whether the corporation purchases for other departments than National Defence, but I should like to see a central agency purchasing supplies for the penitentiaries and every department of government.

On the question of the corporation's function in controlling trade, my mind is a bit confused. I believe that when we go into committee on the bill we shall find that whatever the corporation does by way of controlling international transactions is done on a voluntary basis. In other words, my understanding is that no individual enterprise would be interfered with in the slightest degree, that the corporation cannot take any compulsory action with respect to any business, but that any business may request the corporation's services. If I am wrong on that I should be glad to be put right in committee. If I am right, it seems to me that the corporation is very different from an autocratic and relentless machine which could be used to make binding commitments for Canadian business firms in international transactions.

Hon. Arthur W. Roebuck: Honourable senators, I should like to add my protest to those that have been made against the methods adopted in bringing this bill here and against the request for instantaneous action by the Senate. I further protest that the buying and selling of goods on either a local or international market is not a proper function of government. I know that government is changing, that an evolution is in process. Parliamentary government is gradually becoming a thing of the past, and executive government is taking its place. Just as in former times there have been constitutional changes, resulting in the taking of authority out of the hands of the King and transferring it to the hands of parliament, so now there is a further change—partially necessary because of our more complicated business and governmental affairs—in the transfer of power from houses of parliament and deliberate assemblies to small groups of executives acting behind closed doors.

Hon. Mr. Horner: Dictators.

Hon. Mr. Roebuck: That is the progress of our times. It seems to me it is a progress which we in parliament should resist to the limit of our ability, realizing of course the circumstances that face us.

I look with regret upon the assumption by the government of the right to engage in private business, as provided for in this bill. We are asked to place in the hands of a government-controlled corporation the sum of $10 million—it is a progressive sum, as further money may be secured—with which the people who manage the fund may buy and sell goods in the open market. That seems to me an extraordinary power to give to a government-controlled corporation, and it is all the more extraordinary in that we are now asked to make the corporation a permanent governmental establishment. I do not know a great deal about the past operations of the corporation and I shall listen with a great deal of interest to those who feel it their duty to justify it to us when we meet in committee this afternoon or tomorrow morning.

Hon. Mr. Robertson: This afternoon.

Hon. Mr. Roebuck: I do not like this legislation. I anticipate that it will lead to difficulty in the future, and I wish that our government would cease this kind of thing.

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

REFERRED TO COMMITTEE

Hon. Mr. Robertson: Honourable senators, I move that this bill be referred to the Standing Committee on Banking and Commerce, which will meet when the Senate adjourns during pleasure.

The motion was agreed to.

MAIL CONTRACTS SUPPLEMENTAL PAYMENTS BILL

FIRST READING

A message was received from the House of Commons with Bill 123, an Act to amend the Mail Contracts Supplemental Payments Act.

The bill was read the first time.

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

Hon. Mr. Robertson: Monday next.

CONTINUATION OF TRANSITIONAL MEASURES BILL

REPORT OF COMMITTEE

Hon. Elie Beauregard presented the report of the Standing Committee on Banking and Commerce on Bill 86, an Act to amend the Continuation of Transitional Measures Act, 1947.

He said: Honourable senators, the committee have, in obedience to the order of reference of March 24, 1949, examined the said bill, and now beg leave to report the same without any amendment.

THIRD READING

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

Hon. Mr. Robertson: Now.

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

FOREIGN EXCHANGE CONTROL BILL

REPORT OF COMMITTEE

Hon. Elie Beauregard presented the report of the Standing Committee on Banking and Commerce on Bill 85, an Act to amend the Foreign Exchange Control Act.

He said: Honourable senators, the committee have, in obedience to the order of reference of March 24, 1949, examined the said bill, and now beg leave to report the same without any amendment.

THIRD READING

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

Hon. Mr. Robertson: Now.

Hon. A. N. McLean: Honourable senators, I did not have an opportunity to speak when this bill was before this house for second reading, and before it is passed I should like to make a few observations.

I feel that our foreign trade situation is very serious, and that those upon whom this bill confers certain powers must bear their share of the responsibility for seeing that anything that can be done to hold our international trade from falling apart will be done. On a per capita basis, no country in the world is as dependent on foreign trade as is Canada. No empire in all history has been as dependent on her internal and export trade as the British Empire. I speak from experience in this regard; for over a quarter of a century I have been trading throughout the Empire, and with more than fifty outside nations. At the present time I do not like the anti-trade signs that are appearing on the horizon. They are very similar to those which began to appear twenty years ago, and which preceded the depression of the early thirties.

Foreign trade is vital to this country, and those who struggle to gather wealth from land and sea should more often be consulted with regard to that trade. Vital changes affecting our trade structure should not be made suddenly by exchange theorists, without reference to those who do the digging, for it is the real wealth that pays all our bills, including taxes and the compensation of those who so often direct the course of trade from this capital city.

I wish to trace briefly the history of foreign trade. During the past century and up until the First World War, England played the role of international banker. The surplus she accumulated was loaned abroad, and although many of the loans were repudiated, this practice kept world trade moving and in balance.

During World War I England's assets were dissipated, and after the war she could not resume her former position as banker to the world. Her mantle fell on the United States, which became the nation with the over-all favourable trade balance. That country failed to accept imports in full settlement for exports, and became weary of making bad loans abroad. England tried, unsuccessfully, to get back on the gold standard with an over-valued pound; nations raised tariffs and established quotas to keep out imports; countries on the gold standard found it extremely difficult to trade with soft-money countries; international trade came practically to a standstill, and we experienced the first world-wide depression. Fundamentally, little was done to get the world out of the depression until President Roosevelt came into power in 1933. The President changed the bookkeeping system of his country by lowering the gold content of the American dollar. This greatly helped to equalize currencies. Also he placed the value of gold at $35 per ounce. As a result, much new gold came on the market, and international trade was revived. The depression faded—and then came the Second World War.

In raising the price of gold, the President had done nothing unorthodox; in fact, he did a bold and courageous act. Sir Robert Peel did the same thing in England after the Napoleonic Wars. Peel raised the price of gold to correspond with economic conditions

of his time, which is exactly what the late President did.

By the end of World War I, more credit paper and I.O.U.'s had been floated by the nations than in the whole period from the time of Adam up to 1914. Also, the price level had risen very greatly, and if gold, as a storage of value, was to have any relation to currency and other promises to pay, then it was very plain that the gold basis had to be broadened.

With the Second World War, export trade boomed, much of it paid for by foreign loans and gifts that were made possible by the taxation of our own people. That brings us up to date, with foreign trade still moving at a fairly high level, but with prospects far from good.

At the moment our export trade is in a very insecure position. In fact, all world trade is unstable, due to the fact that it is based to a large extent on the policy of a single nation—a policy which may be altered to suit internal conditions, with harmful results to the other exporting nations, and Canada in particular.

I think it is agreed that if a democratic world such as ours is to survive and prosper, we must have greater and freer trade among the democratic nations. This fact was recognized after the recent war when the Bretton Woods agreements, which were supposed to stabilize world currencies, were signed. Then the Geneva agreements were signed, lowering tariffs among the United Nations. With stable currencies and lower tariffs, the democratic world was all set for long-range prosperity. But nations which export must also import. No machinery was set up by the nations to clear export and import balances, and it is impossible for all nations to have export surpluses in any one year. It is self-evident there must be a clearing house of some kind.

The United States is acting in a very restricted way as a clearing house at the present time, and settlement is demanded in American dollars. The United States is not prepared to take imports to cover all her exports; consequently she has a large net export balance which other nations are unable to pay in United States dollars. This is being financed by giving goods away under the Marshall plan to the various nations concerned, in lieu of imports. As Canada is importing from the United States more than she is exporting to her, a great deal of our deficit in American dollars is being financed by the United States, directly or indirectly, through purchases under the Marshall plan. Countries, like England, which are doing business in sterling, realize that the Marshall plan is not a definite policy, and must come to an end. Therefore nations—principally those of the sterling group—are doing everything possible to direct their foreign trade into such channels that, when aid under the Marshall plan ends, they will not be called upon to settle uncontrollable balances in dollars.

Now although the British representatives at Bretton Woods and Geneva clearly intimated that British policy was that of multilateral trade, Britain, pleading expediency, is not carrying out this policy but is making, and has made, many bilateral trade agreements, most of these with socialist, communist, or dictator countries. Britain has made private trade deals with Poland, Czechoslovakia, Yugoslavia, Argentina, and Russia; and most of the products supplied by these countries could be provided by Canada.

Now, bilateral trading is right in line with communist policy, for the communists do not want any "truck or trade" with free enterprise or individual initiative. The question might well be asked, why does any part of the British Empire or Commonwealth of Nations, with practically all the resources they need within the commonwealth, have to get in line, at times, with a communistic policy in world trade? Such a policy in the end tends to ruin trade, depress standards of living, and open a path for communist propaganda. Premier Stalin said to the former Premier of Poland, "There is no middle course: the countries of the world must be capitalistic or communistic." As he means just what he says, it seems to me that democratic nations should follow democratic principles in world trade. This means multilateral trading among democratic nations, at least for the present, for no stable world trade can be established with communist countries, their trade policies are based on politics, not economics, and any agreement is likely to be broken to further the communistic line. Witness the Russian agreement with England, which was supposed to be an exchange of grain for machinery and other manufactured products. The Russians delivered the grain, but used the sterling in Australia to buy up, at high prices, much of the wool which the Australians were intending to sell to the United States to strengthen their dollar reserves. Thus the Russians were able to further dislocate trade among the democracies. Canada at the present time has great difficulty in trading with Australia, New Zealand, South Africa, India, the British West Indies or practically any other part of the British Empire. Trade can be carried on only under government permit, so we are fast losing out in empire countries. By their deals the British are diverting to the sterling area a vast amount of business formerly done with Canada. The

reason for this is that we are tied up to the dollar sign.

Trade throughout the Empire is steadily falling apart, and if something constructive is not done promptly to re-establish it on a solid basis, this country will become more and more dependent on the United States. The British Empire should be the greatest trading unit of the world, internally and externally, for it has the potentials of world trade to a greater extent than any other territorial unit. What is needed is a system or scheme to make international trade work on a multilateral basis, rather than a system of barter such as the communists use.

The London Chamber of Commerce, which represents one of the most important groups of business and financial men in the world, presented a scheme for multilateral operations to the International Payments Committee of the Federated Chamber of Commerce of the British Empire at their 15th annual congress, held last fall at Johannesburg, South Africa. I have a full copy of the report, which can be procured by any honourable senator. It is too long to even outline here, but some of the most outstanding businessmen of the Empire worked for over a week upon the recommendations contained in the report, and put into their efforts the full weight of their brains and experience, so it is an extremely worthy and constructive document. The plan which is set forth to save Empire and world trade, and to place international trade in a position to grow and prosper, was not only endorsed by the full Congress of the Federated Chambers of Commerce of the Empire, but each nation of the commonwealth was asked to study the plan carefully with a view to the early adoption of the recommendations. The scheme may not be 100 per cent perfect, but it is by far the best I have been able to discover. If anyone in Canada has a better plan, let him come forward with it, for we cannot continue to just drift along. Constructive action is needed and needed promptly. I would like to quote two paragraphs from the report:

> At present, nations have no guarantee that a willing seller to the world is necessarily a willing buyer from it. So long as that is so, imports may result in the buying nations finding themselves with an unpayable debt, since the selling nation may refuse to take payment in the only possible manner, namely, in imports, whether directly or through a third country. Nations which would very readily exchange goods and services with other nations to the advantage of both, if called upon to admit indiscriminately the goods of all nations, regardless of whether they are or are not willing to buy in return, would prefer to admit the goods of none. It is this threat overhanging the nations which is resulting, at present, in one market after another being closed to all but the most vitally essential imports.
>
> The essential feature of this scheme is that nations would recognize that exports could only be paid for by imports: that it was their duty and obligation to maintain their own external payments with the world in balance. To give effect to this concept it would be agreed amongst the nations that if they did not clear their claims on other nations within a period of years, e.g., seven years, that claim would automatically lapse under a statute of limitations.

In other words, external trade would be treated in the same way as internal trade. It would be fully recognized—as it should be, for it is only common sense—that all any nation has to pay with is its production and services, and the proposal is that any nation with an adverse trade balance should turn over a cheque or claim on its production and services in favour of the creditor nations. These cheques or claims would be placed in a pool or clearing house; the creditor nation could sell or transfer such claims to other nations, or exercise them itself; but if it did not choose to do either, after seven years the statute of limitations would come into effect. This would relieve debtor nations from the necessity of continually seeking foreign currency—a commodity they do not produce and over which they have no direct control—to pay their adverse balance.

The Empire Congress, as it is usually called, which met in South Africa, was composed solely of practical business men and industrialists, worthy to rank among the best brains of the Empire. Their hearts are in the work of promoting prosperity in our commonwealth trade, so surely their recommendations are worthy of our most careful consideration. I fear that if we continue to look to outside agencies such as the World International Fund, instead of doing something realistic for ourselves within the framework of Empire organizations, commonwealth trade will continue to disintegrate, world trade will follow suit, and the economic repercussions on a nation so dependent on foreign trade as ourselves will be of the most serious kind. So, in passing this bill for another two years we must realize that it does not lessen our responsibility for seeing to it that everything possible is done to save the great trade relations we have so laboriously built up over the years with the Empire and world at large.

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

DIVORCE BILLS

THIRD READING

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

Bill Q-4, an Act for the relief of Margaret Hyams Boldovitch.

Bill R-4, an Act for the relief of Frederick Cecil Carratt.

Bill S-4, an Act for the relief of Anne Harris Shefler.

Bill T-4, an Act for the relief of Virginia Therese Scott Gillespie.

Bill U-4, an Act for the relief of Ruth Ellen Jones Palamar.

Bill V-4, an Act for the relief of Ida Ker Davies Kinnon.

Bill W-4, an Act for the relief of Arthur Filteau.

Bill X-4, an Act for the relief of Karl Kastner.

Bill Y-4, an Act for the relief of Mary Elizabeth Wilson Taylor.

Bill Z-4, an Act for the relief of Jean Martha Spiller Little.

Bill A-5, an Act for the relief of Violette Blanche Heuff McKenna.

Bill B-5, an Act for the relief of Dorothy Elizabeth Amos Nicol.

Bill C-5, an Act for the relief of George Henry Burney.

Bill D-5, an Act for the relief of Leonne Dufresne Patenaude.

Bill E-5, an Act for the relief of Audrey Blanche Duncan Myers.

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

CANADIAN COMMERCIAL CORPORATION BILL

PRIVILEGE

Right Hon. Mr. Mackenzie: Honourable senators, I rise to a question of personal privilege which, according to the rules of procedure, can be taken into consideration at any time.

My honourable friend the leader of the government (Hon. Mr. Robertson) said that in 1946 when I was a member of the government I had endorsed the provision contained in section 2 of the Canadian Commercial Corporation Bill, which provides that section 19 of the Act, chapter 40 of the statutes of 1946, be repealed. I would advise this house that there is no section 19 of the 1946 Act. I have the statute before me, and it has only seventeen sections. Therefore the phraseology of section 2 of the present bill should be reviewed by the law officers of the Crown. Section 2 of the bill would completely substantiate the provision made in 1946 that the Act would expire sixty days after the convening of the session of 1949.

My honourable friend (Hon. Mr. Robertson) was in error in suggesting that I had approved of the provisions of section 2 of the present bill. This section was never before us in 1946, so someone has blundered very badly in the drafting of section 2 of this bill.

The Senate adjourned during pleasure.

The sitting was resumed.

CANADIAN COMMERCIAL CORPORATION BILL

REPORT OF COMMITTEE

Hon. Elie Beauregard presented the report of the Standing Committee on Banking and Commerce on Bill 122, an Act to amend the Canadian Commercial Corporation Act.

He said: Honourable senators, the committee have, in obedience to the order of reference of March 25, 1949, examined the said bill and now beg leave to report the same without any amendment.

THIRD READING

Hon. Mr. Robertson moved the third reading of the bill.

Hon. Arthur W. Roebuck: Honourable senators, I wish to make a few remarks by way of explanation before I join in allowing this bill to become law. The objections which I raised in this chamber a little earlier this afternoon have been very largely, if not completely, swept away by the explanations given to us in the Banking and Commerce Committee by the Right Honourable C. D. Howe, Minister of Trade and Commerce. What has taken place in the last few minutes is a very good illustration of our system of committees. It is a splendid thing that we as members of parliament can call before us ministers and government officials, and ask them to justify what they are doing or asking us to do.

The Right Honourable C. D. Howe appeared before us and told us that the corporation buys for the Department of National Defence —succeeding the Department of Munitions and Supply—and that for the most part it negotiates as between governments, in keeping with a practice which has arisen in modern times chiefly because the totalitarian states deal as governments and with governments. For that reason our government must have a "front," and this corporation acts as that "front." It does not take part, so the Minister says, in ordinary commercial transactions so as to interfere with trade. I am informed that on one occasion the corporation purchased 15 million pounds of butter when it was thought that commodity was going into short supply; also that it bought hemp in British South Africa for the government stockpile, and made other similar purchases.

The minister gave assurance that the government did not use what seems to be the very wide powers of the Act to assist trade, either as principal or as agent, in the way that I assumed it did when I delivered my criticism of the bill. Accordingly, I am ready to withdraw my objections.

In passing, I may say that though the government has, since 1946, spent through the

corporation the sum of $472 million, it has done so at an expense of about six-tenths of one per cent of the turnover. For those reasons, honourable senators, I withdraw my criticism of the bill.

Some Hon. Senators: Question!

The Hon. the Speaker: Honourable senators, is it your pleasure to concur in third reading of this bill?

Some Hon. Senators: Carried.

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

DIVORCE BILLS

FIRST READING

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

Bill F-5, an Act for the relief of Brenda Denise Fuller Martin.

Bill G-5, an Act for the relief of Suzanne Gundermann Wallis.

Bill H-5, an Act for the relief of Margaret Ellen Joan Clayton Dullege.

Bill I-5, an Act for the relief of Laura Goldstein Rosen.

Bill J-5, an Act for the relief of Doris Mazer Goldsmith.

Bill K-5, an Act for the relief of Marjorie Violet Schratwiser Cadham.

Bill L-5, an Act for the relief of Ross Robert Baskin.

Bill M-5, an Act for the relief of Ann Frances Gray Hirst.

Bill N-5, an Act for the relief of Effie Violet Mugford Knox.

Bill O-5, an Act for the relief of Freda Hersch Nishmas.

Bill P-5, an Act for the relief of Mildred Davidon Liberman.

Bill Q-5, an Act for the relief of Raymond Joseph Louis Guay.

Bill R-5, an Act for the relief of Hyman Herbert Schwartz.

Bill S-5, an Act for the relief of Dorothy Mary Ward Bryant.

Bill T-5, an Act for the relief of Audrey Frances Stokes Lambert.

Bill U-5, an Act for the relief of Marie Katherine O'Connell Ball.

Bill V-5, an Act for the relief of Stephen Henry Jones.

The bills were read the first time.

SECOND READING

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

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

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

THE ROYAL ASSENT

The Hon. the Speaker informed the Senate that he had received a communication from the Assistant Secretary to the Governor General, acquainting him that the Right Honourable Thibaudeau Rinfret, acting as Deputy of His Excellency the Governor General, would proceed to the Senate Chamber this day at 5.45 p.m., for the purpose of giving the Royal Assent to certain bills.

BUSINESS OF THE SENATE

Hon. Mr. Robertson: For the information of honourable senators, I may say that when we adjourn today I intend to move that we stand adjourned until Monday next. At that time I hope to be in a position to proceed with the following legislation: the Pipe Lines bill, the Mail Contracts Supplemental Payments bill and the Agricultural Products bill.

I now move that when this house adjourns today it do stand adjourned until Monday, March 28, at 8 o'clock in the evening.

The motion was agreed to.

The Senate adjourned during pleasure.

THE ROYAL ASSENT

The Right Honourable Thibaudeau Rinfret, Chief Justice of Canada, acting as Deputy of His Excellency the Governor General, having come and being seated at the foot of the Throne, and the House of Commons having been summoned and being come with their Speaker, the Right Honourable the Deputy of His Excellency the Governor General was pleased to give the Royal Assent to the following bills:

An Act to amend the Statute Law.

An Act to amend the National Parks Act.

An Act to amend the Foreign Exchange Control Act.

An Act to amend the Continuation of Transitional Measures Act, 1947.

An Act to amend the Canadian Commercial Corporation Act.

The House of Commons withdrew.

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

The sitting of the Senate resumed.

The Senate adjourned until Monday, March 28, at 8 p.m.

THE SENATE

Monday, March 28, 1949

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

Prayers and routine proceedings.

BUSINESS OF THE SENATE

Hon. Mr. Robertson: Honourable senators, before the business of the Senate is proceeded with may I explain what I propose asking the house to do this evening? In a few minutes His Honour the Speaker will announce that a message has been received from the other place with Bill 122, an Act to amend the Agricultural Products Act. It is desirable that this bill, together with the Mail Contracts Supplementary Payments Bill, be disposed of by Wednesday night. I am going to request that the house proceed with the second reading of the Agricultural Products Bill now, but there is no particular reason why it should be disposed of tonight. If any honourable senator wishes to speak on it tomorrow, it could quite well go over till then, for even if it were given second reading this evening it would not be convenient to have a committee meeting tomorrow morning, inasmuch as the leader of the opposition (Hon. Mr. Haig) and the deputy leader of the opposition (Hon. Mr. Aseltine) will both be busily engaged with heavy sittings of the Divorce Committee at that time.

After I have explained the Agricultural Products Bill, we shall proceed with other items as they appear on the order paper.

AGRICULTURAL PRODUCTS BILL

FIRST READING

A message was received from the House of Commons with Bill 126, an Act to amend the Agricultural Products Act.

The bill was read the first time.

SECOND READING

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

Hon. Mr. Robertson: Honourable senators, I move the second reading of this bill now.

Hon. Mr. Aseltine: Has the bill been distributed?

Hon. Mr. Robertson: Yes. It is on the file.

Honourable senators, the bill before us proposes to continue in force the Agricultural Products Act for a further period of one year. During the war, contracts for the supply of agricultural products to foreign countries were made under orders in council. The effect of those orders in council was incorporated in statutory form under the Agricultural Products Act.

The Act deals with all agricultural products other than wheat. It gives the Minister of Agriculture, subject to approval by the Governor in Council, power to make contracts with governments of other countries or agencies thereof. He may make contracts in two ways: one, by selling or exporting agricultural products; two, by negotiating on behalf of any country the purchase of or contracts for agricultural products in this country. These are the same powers that he had during the war.

There are three boards for the carrying out of these contracts.

1. The Meat Board, which at the present time administers our bacon contract with Great Britain.

2. The Dairy Products Board, which carries out our cheese contracts.

3. The Special Products Board, which executes our egg contracts.

It is apparent that these boards still have an important function to perform, and that their services may be required for some time. The contracts for cheese, bacon and eggs have been continued into the year 1949-50.

Also, under the Agricultural Products Act, the Minister has the power to make new contracts. The passage of this bill would continue that power for one year. The government is not contemplating contracts in new fields, except possibly with regard to fruit. It is, however, constantly discussing the continuation of and the possibility of increasing the present flow of supplies. At the present time negotiations are going on with respect to cheese, and it seems possible that some new contracts will be made. This house is well aware, however, of our present difficulties in dealing with Great Britain. The ability to make new contracts guarantees that our government will be able to co-operate fully in any discussion.

I am not sufficiently conversant with the details of the various contracts for the supplying of cheese, bacon and eggs to give a full explanation. It seems to me that information could best be obtained in committee, where the minister concerned and other officials of the department would be available.

I point out that the powers given to the government by this legislation do not interfere or compete with those of private traders. It is impossible to sell the products mentioned here to the people of Great Britain, except through their government, and that in turn requires that the contracts be with the Canadian government. Great Britain's posi-

tion is such that she feels that there must be only one agency on either side. This raises the question whether this method is the most practical one for dealing with the problem. For the moment, at least, I believe it is. The details of the contracts for the supply of these products have been worked out over several years in co-operation with the British government. It is for this house to say whether it is desirable to continue the present practice for another year. It can at least be said that up to the moment it has proved to be efficient.

This bill, as honourable senators will observe, deals with a relatively limited range of agricultural products and I do not know whether my colleague, the Minister of Agriculture, has given any indication of whether, if circumstances permit, there will be a broadening of the present scope. It seems to me that one of the most interesting problems for our attention in the future arises in the application of the principle which is involved in this measure. Within the next day or two we shall be discussing the details of the North Atlantic Pact, in which is included an agreement for economic co-operation between a group of countries whose systems vary widely. Most of the European countries which adhere to the pact are pursuing their economic objectives by methods substantially different from those in operation on this side of the Atlantic. In more or less degree they have centralized their external purchasing to the extent of controlling a very large amount of their bulk buying if not to the complete elimination of private and individual trading. Whether or not some alternative method eventually will be evolved by them, I do not know.

Under some circumstances, of course, a different system of external trading could be arranged. I have in mind the case of the lumber industry in the East, with which the honourable senator from Northumberland (Hon. Mr. Burchill) is better acquainted than I am. In the Maritime Provinces a number of small lumber producers, acting through the Maritime Lumber Bureau, and, I believe, without government aid, have organized on behalf of the industry what is in effect a system of bulk selling to the bulk buyer. For the time being this arrangement seems to be working reasonably well. Whether it will be equally effective under more stringent economic conditions, when competition has become more keen, and one buyer on behalf of the United Kingdom may negotiate with various individual buyers and try thereby to reduce prices, I am not so sure. But leaving aside this problem of individual versus collective trading—the latter of which is an outgrowth of methods adopted during the war, and seems less formidable than it was—the fundamental principle that will concern us in the years that lie ahead, will be the need of economic co-operation for self-preservation and defence, and the harmonizing of conflicting economic systems among nations which in other respects have so much in common.

As far as the details involved in this bill are concerned, I believe honourable senators will agree that they can best be considered in committee. The bill need not be passed this evening; it can be taken up here again tomorrow afternoon, and when the Senate rises the bill can be dealt with in committee.

Hon. R. B. Horner: Honourable senators, I am not prepared to complete my remarks this evening, but I wish to state at once that, on many grounds, I object to the continuation of this legislation for another year. I hope that certain persons, particularly the editorial staff of the Saskatoon *Star-Phoenix*, will not misunderstand me. I speak for myself, as I believe it is my duty to do, and not for any political party. I am not a party hack, and I do not speak in that capacity at all. I am a farmer representative speaking for the farmers of Canada, particularly those of Saskatchewan. I disagree entirely with the leader of the government (Hon. Mr. Robertson) when he ties in this legislation with the North Atlantic Pact. That is ridiculous. The excuse advanced for the continuation of the Agricultural Products Act, which gives the Minister of Agriculture power to deal with almost anything he wishes, is that Britain can then buy from a government agency in this country. I doubt if it is the intention of even the present Canadian government to aid the socialist government of Britain in the experiments that it is carrying on at the present time. One of my main objections to this bill is that the Minister of Agriculture is using it to interfere with agricultural prices in Canada. The statement was made that the object of this legislation was to secure meat for Britain, and that this was the reason for the refusal to remove the embargo on cattle to the United States. What quantity of beef did Canada ship to Britain? That country was getting its beef from the Argentine. The statement was also made—in the press, by members of the government, and by the Minister of Agriculture—that the purpose of this legislation was to lower the price of beef in Eastern Canada and keep down the cost of living in our own country. For at least six or eight months the farmers of Western Canada were prevented from securing the American market and American dollars. What the bill really means is that one man, the Minister of Agriculture, will have complete control over Canadian farm products.

Although I do not know what bearing it had, the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) in his speech the other day brought up the question of oleomargarine. He stated that it was mostly milk that went into its manufacture. This is a very strange thing. The packing companies, without anyone knowing it, must have bought large quantities of milk, because they were able to produce oleomargarine almost as soon as the ban on that product was lifted. Miracles have been happening! The blood from the animals has been turned into milk, and all the fat from the animals killed has been used in the manufacture of oleomargarine.

Hon. Mr. Howden: All the fats cannot be used in the manufacture of oleomargarine. Only fats with certain melting temperatures can be utilized.

Hon. Mr. Horner: Does my honourable friend think so?

Hon. Mr. Howden: I know.

Hon. Mr. Horner: Did the honourable senator know of any particular company buying milk for the manufacture of oleomargarine?

Hon. Mr. Howden: Milk is not needed for the manufacture of margarine.

Hon. Mr. Horner: Then my honourable friend and the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) do not agree. The honourable senator from Toronto-Trinity gave this house quite a lecture on how to raise a family. He said something to the effect that children should not be taught to work. I am the very proud father of nine children. I received a letter recently from one that, when he was a little beggar, I worked during every holiday he had. He said that he would always be grateful to me for having taught him how to work. He has his own child now and wants to bring him up the same way. I understand that my honourable friend from Toronto-Trinity raised one child. He reminds me of a hen that goes off by herself and hatches one chick. A hen that has hatched fifteen chicks walks boldly around the farmyard, quite unconcerned and with plenty of time to rest. She lets her fifteen chicks take care of themselves. But the hen that has hatched one chick is always fussing around, and is continually fighting with the dog and the cat and everything else around the farm. I think the honourable senator from Toronto-Trinity is the last person who should attempt to give anyone a lecture on the raising of a family.

Some Hon. Senators: Oh, oh.

Hon. Mr. Horner: Honourable senators, although I should perhaps not be concerned, I did feel badly about the attack my honourable friend from Toronto-Trinity made on the honourable senator from Kingston (Hon. Mr. Davies), whose ideas on the matter of family allowances coincided with mine. However, as my honourable friend from Kingston expressed his thoughts much more eloquently than I did, my honourable friend from Toronto-Trinity ignored me entirely in his attack.

Some Hon. Senators: Oh, oh.

Hon. Mr. Horner: Honourable senators, the butter manufacturing industry is one of the home industries of Canada, and it teaches the farm children how to work. No one should take that industry away from the farmers. The man who produces butter today is working for lower wages than any other person in this country. Eventually people will find that they will not even have enough milk to drink. Such a situation is encouraged by contracts which take away our milk and cheese.

Honourable senators, there is another point I would like to mention. Can anyone tell me that any country in the world has a system of hog grading similar to ours? When this system was first instituted some twelve years ago, it was thought that it would last for only a couple of years, and that it would help to improve the grade of our hogs. In committee a number of years ago I asked Dr. Barton, the Deputy Minister of Agriculture, if this system of grading hogs was designed to aid the packing companies. He said that it was supposed to assist the producers. I replied, "It is possibly so, but it has certainly helped the packers." The late Senator Burns disagreed with me, and I said to him, "I expected you would disagree, but I still think the same thing." Honourable senators, our system of grading hogs has definitely worked to the advantage of the packers and nobody else.

As honourable senators know, our government now has a bacon contract with England, but we will not come anywhere near to filling it. If the shaving machines which deprive our men of a decent order for their bacon were done away with, it would be different. We do not produce enough bacon to supply our own people, let alone the people of England. This results from our system of hog grading. For instance, if a hog weighs a pound too much, the farmer is docked $5. Even today I know of many men in Western Canada who have raised hogs as grade A and selects. After taking one or two of them to the market they have said, "We will not raise any more hogs." This situation has been brought about largely by reason of the system of grading hogs. It has been to the disadvantage of the farmer and to the benefit of the packing companies.

Honourable senators, there is still another point in connection with this subject. The packing companies have had a floor price, but the farmers have not. Those who have a knowledge of hog raising know that there are certain days and seasons of the year when thousands of hogs go on the market, and that there are other times when few hogs are available. It is the packing companies that fix the price, and they say, "This is the average price." But they do not give the average price for the over-all quantity purchased. The farmer often loses his entire profit in raising hogs, and the same is true of his sheep and cattle.

As I have said, I wish to adjourn the debate and continue my remarks tomorrow. The sum and substance of my point is this: if we are going to go entirely socialist, and if we believe in that kind of government, let us come out frankly and say so, and let us proclaim that every farmer will be bound to sell to the government agency because we are supporting a socialist government in England which, as the leader of the government says, likes to purchase through such an agency. But do not let us use that system to take the cattle or hogs from one part of the country in order to keep down living costs in another part. Let us try out the system that we talk about and say we are in favour of, the free enterprise system, and let us quit this other thing. As a farmer I would not be afraid of free enterprise at all, and I do not think that the people I represent are afraid of it. But we certainly object to the continuation of absolute control in the hands of a minister who made the statement in Western Canada, as reported in the press, that all you needed to do for people was give them something they wanted a couple of weeks before an election.

Now, honourable senators, I would like the privilege of adjourning the debate and continuing my remarks on another occasion.

Right Hon. Mr. Mackenzie: Honourable senators, am I out of order in asking the honourable senator a question about a remark that he made in the last half minute of his speech?

Hon. Mr. Horner: I would be very pleased to answer.

Right Hon. Mr. Mackenzie: I may have misunderstood my honourable friend, but I rather thought he said the Minister of Agriculture had stated that the only thing that mattered was to promise the people something two months before an election.

Hon. Mr. Horner: Two weeks, I said.

Right Hon. Mr. Mackenzie: When was that statement made, sir?

Hon. Mr. Horner: It was reported in the press of Alberta when he was out there.

Right Hon. Mr. Mackenzie: In which paper?

Hon. Mr. Horner: I just forget. I believe it was the Calgary *Herald*.

Right Hon. Mr. Mackenzie: May I ask the honourable senator for the date of the alleged remarks and the publication in which they appeared? I know the Minister of Agriculture, and the farmers of Canada have not a better friend in the world than he.

Hon. Mr. Horner: That is a matter of opinion. I move the adjournment of the debate.

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

DIVORCE PETITIONS

Hon. Mr. Aseltine: Honourable senators, I beg to present eight petitions for divorce. The time for receiving divorce petitions expired last Friday and these were received just within the time limit. We hope there will not be any more.

PRIVATE BILL

REFUND OF FEES

Hon. Mr. Aseltine moved:

That the parliamentary fees paid upon Bill Q-2, an Act to incorporate the Sisters of Saint Elizabeth Hospital, be refunded to the Sisters of Saint Elizabeth Hospital, Humboldt, Saskatchewan, the petitioners, less printing and translation costs.

He said: Honourable senators, I am moving this motion in accordance with a notice which appears on the Order Paper. I understand it is the usual procedure to refund the fees on bills of this kind.

The motion was agreed to.

DIVORCE BILLS

THIRD READINGS

Hon. Mr. Aseltine, Chairman of the Standing Committee on Divorce, moved the third reading of the following bills:

Bill F-5, an Act for the relief of Brenda Denise Fuller Martin.

Bill G-5, an Act for the relief of Suzanne Gundermann Wallis.

Bill H-5, an Act for the relief of Margaret Ellen Joan Clayton Dullege.

Bill I-5, an Act for the relief of Laura Goldstein Rosen.

Bill J-5, an Act for the relief of Doris Mazer Goldsmith.

Bill K-5, an Act for the relief of Marjorie Violet Schratwiser Cadham.

Bill L-5, an Act for the relief of Ross Robert Baskin.

Bill M-5, an Act for the relief of Ann Frances Gray Hirst.

Bill N-5, an Act for the relief of Effie Violet Mutford Knox.

Bill O-5, an Act for the relief of Freda Hersch Nishmas.

Bill P-5, an Act for the relief of Mildred Davidon Liberman.

Bill Q-5, an Act for the relief of Raymond Joseph Louis Guay.

Bill R-5, an Act for the relief of Hyman Herbert Schwartz.

Bill S-5, an Act for the relief of Dorothy Mary Ward Bryant.

Bill T-5, an Act for the relief of Audrey Frances Stokes Lambert.

Bill U-5, an Act for the relief of Marie Katherine O'Connell Ball.

Bill V-5, an Act for the relief of Stephen Henry Jones.

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

FIRST READINGS

Hon. Mr. Aseltine presented the following bills:

Bill W-5, an Act for the relief of Diane Grossman Botner.

Bill X-5, an Act for the relief of Rosina Templeton McIndoe Corliss.

Bill Y-5, an Act for the relief of Lily Tansky Dratofsky.

Bill Z-5, an Act for the relief of Anna Rosemarin Barsuk.

Bill A-6, an Act for the relief of Christy Margaret Chisholm Cook.

Bill B-6, an Act for the relief of Maud Ross Travers.

Bill C-6, an Act for the relief of Mary McDowell Hyslop Forbes Cahill.

Bill D-6, an Act for the relief of William Jackson.

Bill E-6, an Act for the relief of Vera Mildred Holley Martel.

Bill F-6, an Act for the relief of Ruth Gorofsky Hall.

Bill G-6, an Act for the relief of Rita Latour Shugar.

Bill H-6, an Act for the relief of Margaret Martin Stewart Scofield.

The bills were read the first time.

SECOND READINGS

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

Hon. Mr. Aseltine: With leave of the Senate, I move the second readings now.

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

PIPE LINES BILL

SECOND READING

Hon. Wishart McL. Robertson moved the second reading of Bill Z-3, an Act respecting oil or gas pipe lines.

He said: Honourable senators, I have asked the Honourable the Minister of Transport to explain this bill.

Hon. Lionel Chevrier (Minister of Transport): Honourable senators, the purpose of this bill is to provide for the control of interprovincial and international oil and gas pipe lines. There is, I believe, no doubt that parliament has jurisdiction over interprovincial and international pipe lines. As a matter of fact, in order that there could be no doubt about the point, the bill that I have the honour and privilege of explaining here this evening has been submitted to the Department of Justice, which has concurred in it.

At the last session of parliament a bill was introduced in this chamber to incorporate Western Pipe Lines. The purpose of that bill was to incorporate a company with power to construct and operate a pipe line for the transmission of natural gas from a point near Calgary to a point near Winnipeg, and also certain other branch lines. After considerable discussion, the bill was withdrawn by its promoters. My officers held the view that to give private companies powers over oil and gas pipe lines crossing from one province into another, where no regulatory body existed to supervise the operations of such companies, would create chaos and disorder in this new and growing field. Hence, the decision to enact enabling legislation. The government has decided to recommend to parliament the enactment of a public statute of general application, regulating the transportation of natural gas and oil by means of pipe lines connecting two or more provinces, or extending beyond the limits of a province.

The importance of the oil and natural gas industries to the economic welfare of Canada cannot be over-emphasized. Light, heat and power are essential to our needs, and pipe lines are built to serve industry and the public by affording the cheapest and most convenient form of transportation of oil and natural gas.

The petroleum industry with its diversified products is a complicated business. The function of the pipe line in the organization of the oil industry is chiefly to serve large oil companies as an important part of their operation in the transformation of crude oil into finished products ready for the market. Transportation by pipe line of crude oil to the refineries, and of refined oil products from the refineries to the market, is the most

economic method of transportation yet devised. The large refineries and the pipe lines are integrated, as the pipe lines afford cheap transportation from the oil fields to the refineries, and the refineries are necessary to the economic life of the pipe lines. The pipe lines are essentially one-way carriers and require a large capital investment, which in turn needs a large and steady volume of business in order to pay fixed charges, maintenance and operating costs. The risk of shifting sources of supply and markets makes the corporate enterprises engaged in the oil refining business especially suited to the undertaking of building and operating pipe lines.

There are four major oil companies in Canada—British American, Imperial, McColl-Frontenac and Shell. I anticipate that the construction of pipe lines will be undertaken by subsidiaries of these companies in the near future. As the industry is competitive, I hope that other oil companies also will enter the field. There are now very few pipe lines in Canada extending beyond the limits of a province. There is the Montreal-Portland pipe line, which was built during the war, as a war measure. There is also a pipe line entering Canada at Sarnia, and I understand that there is a pipe line crossing the international border between Alberta and Montana.

The attention of all Canada is now focused on the oil discoveries in Alberta, which we hope will exceed our most optimistic expectations. The industry is spending a lot of money and effort to find the petroleum supplies of the future. These efforts are getting results which are most gratifying, and are a great tribute to the enterprise shown by the oil industry. The oil companies which are interested in the Alberta fields are to be congratulated on the effort, skill and enterprise shown in discovering this new source of supply. This country is fortunate in having people who are bold enough to risk their capital in an endeavour to open up these new sources of weatlh. The potentialities of the oil industry in Canada are immense.

The new oil fields discovered in Alberta will require the construction of trunk pipe lines to carry the crude oil to the refineries and the finished products from the refineries to the markets. Nature has also blessed the province of Alberta with abundant sources of natural gas that can be readily transmitted by pipe line to the great benefit of many communities using or desirous of using gas for light, heat and industrial purposes. I expect that these projected pipe lines will cross both provincial and international boundaries. The regulation of such pipe lines is undoubtedly within the jurisdiction of parliament, and the time is opportune for the enactment of a general Act to regulate interprovincial and international oil and gas pipe lines.

I am informed that some five companies have already applied to parliament for private acts of incorporation. With your permission, honourable senators, I should like to say something about these private applications.

The first company is Interprovincial Pipe Lines. This company is sponsored by Imperial Oil Limited and seeks authority to build pipe lines within or outside of Canada. The company proposes to build a pipe line from Edmonton to Regina, as the first stage of its construction. During 1949, if the anticipated legislation is passed, the Imperial Oil Company expects to spend between $9 million and $10 million on the line between Edmonton and Regina, which will run to a total cost estimated at from $35 million to $40 million. As the company's plans develop, other lines will be built, including a line to a point on the international boundary for the purpose of exporting oil to the United States. It is of public interest to know that the proposed capitalization of this company is $200 million.

The second is the Queont Pipe Line Company. Three of the larger Canadian oil companies are contemplating the possibility of building an interprovincial trunk pipe line, and have filed a petition to present a private bill to cover their plans. It is understood that preliminary studies indicate that the cost of this line might be from $15 million to $20 million. It is further understood that the financing of this project would be largely, if not entirely, done in Canada.

The third company is Western Pipe Lines. As I said before, a bill to incorporate Western Pipe Lines was introduced in this chamber last year. I am informed that the bill will be introduced again at this session with some minor changes. According to the information given by the promoters of this bill at the last session, it is proposed to build a pipe line for the transmission of natural gas from a point in the vicinity of Calgary to the cities of Winnipeg and St. Boniface. The cost of the project was estimated last year at approximately $48 million.

The fourth is the Alberta Natural Gas Company. This company proposes to build a gas pipe line from the Province of Alberta across the mountains to Seattle, in the State of Washington, and to Vancouver, B.C. The cost of building the line is estimated at approximately $100 million, and about one-half of this amount will be spent in Canada. The capital required for this project will be in the main raised in the United States, and I understand that funds are assured. The principals who are backing this venture are geologists

and engineers of long experience with undertakings of this kind, and are well financed.

Fifth, is the West Coast Transmission Company. This company also proposes to build a pipe line for the transmission of natural gas from Alberta to British Columbia and the State of Washington. I am advised that the West Coast Transmission Company Limited proposes to spend between $50 million and $100 million on the construction of a gas pipe line from the Alberta gas fields to Vancouver and Seattle. This money will be spent mostly in Canada, and will be largely United States capital.

It follows from what I have said, that if these bills are approved by parliament it will mean an expenditure in our country of between $200 million and $250 million. I am informed that these subsidiary companies are ready to proceed with construction immediately.

These five applications for private bills are dependent upon the passage of the government bill, and it is of the utmost importance to expedite the passage of this bill so that these companies may be able to proceed with their private bills.

Provision is made in the bill now before honourable senators, for declaring a company operating an oil pipe line to be a common carrier. In the United States, where they have had more experience with pipe lines than we in Canada have had, interstate oil pipe lines are regarded as public transportation agencies, and were placed in the category of common carriers by the Hepburn amendment to the Interstate Commerce Act for the purpose of regulating rates and services. This was done to promote competition in the oil industry by requiring the major oil companies to permit other shippers the use of their lines. The economic superiority of the pipe line as a means of transporting oil over long distances by land routes affords great competitive advantages to an oil company owning a pipe line, but if independent oil companies can use the pipe line as a common carrier this advantage is much lessened. It appears, however, that the regulation in the United States of oil pipe lines as common carriers has not been extensive, which may be explained largely by the fact that the users of pipe lines are in most cases the owners. The powers of the Interstate Commerce Commission over pipe lines under the Hepburn Act have been exercised less than its powers over any other type of carrier subject to its jurisdiction.

Natural gas pipe lines do not, by the nature of the commodity carried and the difficulty of storing it, lend themselves to the business of common carriers, and the bill does not provide for declaring companies operating gas pipe lines to be common carriers. The gas industry is regarded as being more in the nature of a public utility than the oil industry, and more subject to price regulation; but, because of jurisdictional difficulties, the bill does not impose any control over the price of gas purchased or sold. The bill gives the board power to order a company operating a gas pipe line to extend or improve its transportation facilities and to sell gas to any person or municipality engaged in the local distribution of gas to the public, and for such purposes to construct branch lines to communities immediately adjacent to its pipe lines, if the board finds that no undue burden will be placed upon the company thereby.

The bill applies to companies having authority under a special act to construct or operate a pipe line. The government considers that if a company is to have the benefits of the Act, including wide powers of expropriation, it should be incorporated by a special act of parliament or, if already incorporated, that it should obtain from parliament, by special act, authority to construct or operate a pipe line.

The administration of the Act is given to the Board of Transport Commissioners for Canada, which now exercises jurisdiction in respect of Dominion railways, telephones, telegraph and express companies, international bridges and tunnels, and certain classes of ships, as well as other miscellaneous matters. The provisions of the Railway Act relating to procedure are made applicable to proceedings under the Pipe Lines Act, and generally the provisions of the bill bear close similarity to corresponding provisions of the Railway Act.

Under the bill a gas or oil pipe line company is given general powers including power to take and hold land; to construct a pipe line with all necessary buildings and structures; to construct branch pipe lines; to transport oil or gas by pipe line and regulate the tolls to be charged therefor; and to do all acts necessary for the construction, maintenance and operation of the pipe line. These general powers would supplement the special powers given to the company by the special Act. The company shall not, however, without leave of the Board: (a) sell, convey or lease the pipe line in whole or in part to any person; (b) purchase or lease any pipe line; (c) enter into any agreement or amalgamation; or (d) abandon the operation of a pipe line.

There are four parts to the bill. Part I, deals with oil and gas lines, and has to do with their location, construction and operation; Part II, deals with oil pipe line law, in which companies may be declared to be common carriers; Part III, deals exclusively

with gas pipe line companies; and Part IV, deals with accounting.

Referring briefly to Part I, having to do with location, construction and operation of oil and gas pipe lines: the bill stipulates that both oil and gas pipe lines must proceed in accordance with a number of sections, beginning with section 7 of the bill, having to do with the expropriation of Crown and private lands. It contains provisions relating to the location of the pipe line, the approval by the board of the plan, profile and book of reference, land registration procedure, deviations, branch lines, the taking and using of lands, crossings, mines and minerals, diversions, and the operation of the pipe line including safety provisions. This part gives the company power to appropriate Crown lands and expropriate private lands. The sections of the Railway Act respecting expropriation proceedings and payment of compensation for lands taken are incorporated by reference in the bill.

Part II of the bill applies only to oil pipe lines companies. The board may by order declare a company to be a common carrier, and if so declared the company is bound to carry according to its powers, all oil offered for transportation. The carrier shall file a tariff of tolls with the board. All tolls charged shall be just and reasonable, and under substantially similar circumstances charged equally to all persons at the same rate. The board may disallow or suspend any tariff that it considers to be contrary to any of the provisions of the Act and may fix just and reasonable rates. There is an absolute prohibition against unjust discrimination in rates, service or facilities against any person or locality.

Part III of the bill applies only to companies operating pipe lines for the transportation of gas. This part empowers the board, whenever it finds such action necessary or desirable in the public interest, to direct the company to extend or improve its transportation facilities, to provide facilities for the junction of its pipe line with a pipe line of any person or municipality engaged in the local distribution of gas, to sell gas to such person or municipality, and for such purposes to construct branch lines to communities immediately adjacent to its pipe line, if no undue burden is placed on the company. The board is not empowered to compel the company to sell gas to additional customers if to do so would impair its ability to render adequate service to its existing customers.

Part IV of the bill deals with methods of accounting, depreciation procedures and uniformity of accounting systems. All gas and oil pipe line companies are required to make returns to the board of their capital, traffic, revenues, expenses, and all other information required by the board.

In recommending this bill for your consideration, I trust that members of this house will bear in mind that at least five pipe line projects are awaiting the passage of this measure, and that there is some urgency to have it passed in order that these projects, which mean a great deal to the development of Canada, may proceed. At the same time, parliament is breaking new ground in the matter of general pipe line legislation, and you have before you what is considered by the government a most important bill having to do with general pipe line legislation. I am sure that honourable senators will give this bill the careful consideration it deserves.

Some Hon. Senators: Hear, hear.

Right Hon. Mr. Mackenzie: Honourable senators, is it permissible to ask one question of the Honourable Minister? As one who comes from the far West, I am wondering if he would be good enough to inform the house as to what has happened to the pipe line constructed during the war years, from Fort Norman to the Pacific Ocean. I understand that it was built through the co-operation of Canada and the United States, and was to serve mainly for defence purposes. Has that line been abandoned, or is it still in operation?

Hon. Mr. Chevrier: Honourable senators, I believe the line to which the honourable senator from Vancouver Centre (Right Hon. Mr. Mackenzie) has referred, is the Canol project, which extended from Fort Norman to Whitehorse. That project would not come under the purview of this bill, because it comes within the jurisdiction of the North West Territories and was purchased along with other assets from the United States. I am informed that this line has been torn up.

Hon. John T. Haig: Honourable senators, I wonder if this legislation has been submitted to the various provinces for their consideration? I understand that it is proposed to build a pipe line from Montreal to Toronto, and so on; but I know that in the West the provinces of Manitoba, Saskatchewan, Alberta and British Columbia are vitally interested in this whole matter. Alberta, being the chief prospective supplier of a great deal of the oil to be produced in Canada, is particularly interested. Manitoba also is concerned, because it is anticipated that gas will be piped from Alberta to Winnipeg and St. Boniface. This will result in these two centres having a much cheaper fuel supply than they now enjoy. Oil is important for the running of tractors, motor cars and other machinery, but in our part of the country fuel is just as important.

Last year, when the Western Pipe Lines Bill was before this house, there was a lively discussion in committee as to whether the bill fully protected the rights of Alberta and Saskatchewan. I understand that this proposed legislation is presumed to protect the public of Canada, assuming, as the minister does, that the jurisdiction rests with the Dominion. Since hearing him speak tonight, however, I have been wondering if the four western provinces have been consulted. I admit the urgency of this legislation, but at the same time I do not think it is quite as urgent as the minister suggests. I think the oil companies would proceed with their pipe line projects whether or not we passed this legislation tonight, tomorrow, or a week from tomorrow. Honourable senators, I want to see the rights of Alberta fully protected. Great progress in oil development is being made in that province, and its people deserve much credit for the way they have handled the oil situation.

May I digress for a moment or two? When introducing an Alberta curling team at a meeting in Hamilton recently, I mentioned that a few days beforehand the Alberta government had sold the oil rights in two sections of land for $5 million, subject to a 12½ per cent tax on the production. When I finished speaking, a gentleman from Alberta said, "I think the man who has just spoken has made a slight error." Everybody thought I had exaggerated. They probably thought that my figure was ten times too great, but the Albertan said, "We did not sell the land for $5 million; we sold for $7½ million." This will serve to illustrate the tremendous value of the oil industry. I am doubtful if pipe lines can be built to carry oil much farther east than Winnipeg, but I should think the Alberta oil fields could make great use of pipe lines to the United States. By selling oil to that country Canada would receive much of the American currency it so urgently needs.

Honourable senators, I do not want to see this legislation rushed through parliament without consultation with the four western provinces. I do not know whether the Minister of Transport has had any representations from those provinces or not, but I do know that the West is tremendously interested in its oil and gas development.

I suggest to the honourable leader of the government (Hon. Mr. Robertson) that when this bill goes to committee we ask the four western provinces if they want to be heard. If so, I think we should hear them. With all due respect to the Minister of Transport (Hon. Mr. Chevrier), if these provinces wish to send representatives to parliament by next Monday or Tuesday, I for one would be prepared to hold up this legislation. I feel that the Senate can perform a service in this matter. I am sure the government does not want to do in haste anything that it will regret at leisure, and while I personally am in favour of the bill—I think it means much to my city of Winnipeg—at the same time I want to be sure that the provinces are fully consulted and that the bill protects all their rights.

Hon. Mr. Chevrier: Honourable senators, perhaps I may be allowed to answer one or two of the observations made by the honourable leader of the opposition (Hon. Mr. Haig).

With reference to jurisdiction, of course, I am proceeding on the assumption that we have it. I do not think there is any doubt about it.

Hon. Mr. Haig: Nor do I.

Hon. Mr. Chevrier: I think it is clearly covered by both section 91 and section 92 of the British North America Act. I take it that the position of a pipe line is pretty much the same as that of a railway operating from one province into another, and that therefore parliament would have jurisdiction.

With reference to the provinces, if the position is as I have indicated—that is, that we have jurisdiction—there would, strictly and legally speaking, be no necessity for consulting the provinces. By that I do not mean that we should not attempt to find out what their wishes or their views are. There have been informal talks, I am told, but no formal representations, except perhaps one. I had a visit from one provincial representative, and he was concerned chiefly with the form of the special Act. He made certain representations to me as to the manner in which the special Act should be framed, and also as to the reference in this bill to incorporation by special Act. Those representations were carefully weighed, but it was found impossible to accede to them.

With reference to the statement that I made about haste, I hope the honourable leader of the opposition (Hon. Mr. Haig) did not take it to mean that there should be haste without invitation to the provinces, if this chamber felt that an invitation was necessary. I do not think that there could be any objection to an invitation, because it is a fact that Alberta and the other western provinces are vitally interested in this bill. But from the informal representations that have been made I am led to believe that this bill meets the position pretty well. A committee of officers of the Department of Transport in conjunction with officers of the Board of Transport Commissioners worked out the bill after many talks, and I think they invited representations from outside. Whether they went so far as to invite representations from the provinces, I am unable to say; but I do know that one or two members of this com-

mittee went to Washington and consulted some members of the Interstate Commerce Commission, which has had a great deal of experience in connection with similar legislation. The committee was guided, not exclusively or entirely, but to some extent, by the information obtained there. I hope that anything I have said will not convey the impression that there should be undue haste. On the contrary, I think this bill is of such importance that the Senate should take all the time that honourable members feel is requisite for the proper consideration thereof.

Hon. Mr. Ross: Honourable senators, I understood the minister to say that oil companies operating under this bill could be obliged to act as common carriers, but that gas companies could not be obliged so to act. I cannot just see the reason why gas companies should not be obliged to operate as common carriers, and perhaps the minister would explain this.

Hon. Mr. Chevrier: The distinction between the two is that a gas company, by the nature of its undertaking, does not lend itself to being a common carrier, whereas an oil company does. That is the main reason I gave in outlining the bill to the house. The gas industry is regarded as being more in the nature of a public utility than is the oil industry, and more subject to price regulation. And that of course raised another point of a jurisdictional nature. The question of price fixing and price regulation is one of provincial jurisdiction, and therefore it was impossible to include anything with regard to the regulation of prices in that part of the bill dealing with gas companies.

Hon. Mr. Gershaw: Honourable senators, as this is a control bill, may I ask the minister if investigations have been made as to the quantity of surplus gas available for export? Industries have grown up using gas, and we know that the quantity of gas in wells sometimes diminishes. Can the minister say if investigations have been made?

Hon. Mr. Chevrier: Honourable senators, I am not aware of any investigation having been made; and as I understand this bill it does not provide for specific investigation, although the board has very wide powers. The board's powers of regulation and control over the pipe lines are very much the same as those which it has over the railways.

Hon. Mr. Ross: I may say, honourable senators, that the question of the quantity of gas available for export, and that kind of thing, are being investigated by a commission appointed by the Province of Alberta, but I do not think any report has yet been made. The chairman of the commission is Mr. Dinning, President of Burns and Company Limited.

Hon. Mr. Haig: If honourable members will pardon me for speaking a second time, I would point out that this bill, as I understand it, does not say whether gas can be exported or not. That would depend on the private bills, and protection could be provided for in them. The Government of Alberta represented to us last year that it wanted to be authorized by the private bills to control the amount of gas that could be sent out.

Hon. Mr. Chevrier: There is a section dealing with that very point, and it provides for the construction of a gas or oil line or branch line to the international boundary.

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

REFERRED TO COMMITTEE

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

Hon. Mr. Haig: May I ask the honourable leader whether that committee will be sitting tomorrow after the house rises or on a later date?

Hon. Mr. Robertson: There is some urgency about the two other bills, and if they go to committee tomorrow, as I hope they will, we could probably arrange to have a meeting of the Transport and Communications Committee on Wednesday morning.

Hon. Mr. Haig: That is all right.

The motion was agreed to.

MAIL CONTRACTS SUPPLEMENTAL PAYMENTS BILL

SECOND READING

Hon. Wishart McL. Robertson moved the second reading of Bill 123, an Act to amend the Mail Contracts Supplemental Payments Act.

He said: In 1947 the Post Office Department realized that owing to rising costs the compensation under a large number of rural mail contracts then in force was inadequate. The Mail Contracts Supplemental Payments Act, 1947, gave the Postmaster General power to pay bonuses to rural mail contractors if he believed the compensation was inadequate by reason of changed conditions since the contracts were taken out. These supplemental payments applied only to contracts which had been in force for one year. The Act was limited as to time, and expired in 1948. It was renewed in that year, and now will expire on March 31 of this year.

Rural mail contracts are made for a four-year period, after which they may be renewed, or new tenders may be asked for. The bonuses that were paid applied only to the unexpired periods of the contracts. If a contract was renewed, or a new tender was accepted, the bonus lapsed and a new application had to be made for it. Supplemental payments were made in respect of 6,485 contracts, or 54 per cent of the number in force. The total increase in the cost of these contracts was $1,537,108 per annum, or 30·78 per cent. In the same period, the department made 1,143 new contracts. The amount paid on the new contracts was $287,254 per annum more than was paid on the old contracts. This was an increase of 37·5 per cent as compared with an increase of 30·78 per cent on the contracts on which bonuses were paid.

Honourable senators will appreciate my point: that in the case of contracts which had not expired the department, under this Act, paid a bonus to bring them up to what was regarded as a reasonable figure. In those contracts which expired new tenders were asked for, presumably on a competitive basis, and the resulting figures reflected a little higher percentage than had been allowed under the bonus contracts.

This Act affects only one type of contract. In many cases mail carriers have given such faithful service that the department wishes to renew their contracts without calling for tenders. At the present time this is done in a great many cases. A contract is renewed on the same terms as those on which it was originally made. If, in such a case, a bonus has been paid under the original contract, it lapses as soon as the contract is renewed, and then the mail carrier could get his bonus continued only upon the making of a new application to the department. However, after March 31 of this year, such applications will not be considered. This will mean that the only way the mail carrier can get the bonus on his renewed contract will be to refuse the offer to renew the contract and to have it put up for tender, when he can include the increase in his bid. But this situation is exactly what the department wishes to avoid, because it removes much of the incentive for good service on the part of those carriers whose contracts have been renewed from year to year. The department believes that certain contracts should still be renewed without penalty to the mail carrier for such renewal. That is the sole purpose of this Act. The department feels that the bonus should not be continued on contracts for which tenders are called. In these cases the persons submitting bids have an opportunity to include increased costs in their bids.

This bill does not extend the operation of the Mail Carriers Supplemental Payments Act to any new contracts. After March 31 of this year bonuses will continue to be paid for the life of the contracts in respect of which they were granted, but no new applications for bonuses will be considered.

Honourable senators, I do not think that I can add further to my explanation of this bill. If this house sees fit to give the bill a second reading, it is my intention to move that it be referred to committee. What I said concerning the Agricultural Products Bill applies also to this one, namely that there is no immediate urgency for its passing.

Right Hon. Mr. Mackenzie: May I ask my honourable leader a question which he does not need to answer directly if he does not choose to? Does this measure apply in any way to railway mail clerks employed on trains running for instance, between Vancouver and Calgary? My reason for asking is that four or five weeks ago I met a Legion delegation in Vancouver, who complained that the proposed change in service between Vancouver and Sicamous, and Sicamous and Calgary, would make it necessary for the families of eighteen of these mail clerks to move from Vancouver to Calgary, despite the difficulty of securing housing accommodation in that city. The bill may have nothing to do with this question, but perhaps my honourable leader would look into the matter before the bill is considered in committee.

Hon. Mr. Robertson: This particular piece of legislation concerns rural mail carriers who have four-year contracts for which new tenders are called or which may be carried on. I doubt that it covers the point which my honourable friend has mentioned. However, I shall look into this subject and will endeavour to secure any information he requires.

Hon. John T. Haig: Honourable members, I do not believe the bill needs to go to committee. This question was fully discussed a couple of sessions ago. I distinctly remember asking the question: Would everybody get a bonus?

Right Hon. Mr. Mackenzie: Oh, oh.

Hon. Mr. Haig: The minister replied that only those who asked for it would get it. There appeared to be nothing political about it—just those who asked for it got it. I gather that after that discussion most of the carriers asked for the bonus.

I know of no other class of people who give better service and are poorer paid. I think the job of the rural mail carriers is a most difficult one. They get pushed into contracts, and then somebody persuades them to renew them, or somebody else without the necessary equipment puts in a low tender and there

is more trouble. I am just speaking for myself, but I feel that this bill could be given third reading now.

I think this bill does no more than justice to people who need it very badly. In my own province in the old days, all these contractors could afford was, perhaps, a dilapidated old buggy and two teams of horses; now, it may be an old Ford car, one of the first ever made, but still chugging around the country on rural routes.

However, if any honourable senator wishes to have the bill go to committee, I have no objection.

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

REFERRED TO COMMITTEE

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

Hon. Mr. Robertson: Now.

Hon. Mr. Léger: I do not think it should be passed without reference to committee. There may be some questions that we will want to ask.

Hon. Mr. Robertson: As the honourable senator suggests that the bill be sent to committee, I move that, with leave of the house, it be referred to the Standing Committee on Banking and Commerce, which has had another bill remitted to it for consideration.

The motion was agreed to.

PRIVATE BILL

SECOND READING

Hon. A. W. Roebuck moved the second reading of Bill A-4, an Act respecting Guaranty Trust Company of Canada.

He said: This bill is simply for the purpose of increasing the capital of the Guaranty Trust Company of Canada.

The company was incorporated in 1925, by Act of the Dominion Parliament. The incorporators were a group of men in the county of Essex. In 1934 the company moved its office to the city of Toronto. It established other offices from time to time in Niagara Falls and Sudbury. It is the only trust company operating in Northern Ontario. It amalgamated with another trust company, the Capital Trust Corporation, and the result was a greater volume of business, which requires more capital. Volume of business in the case of trust companies is limited in so far as guaranteed funds are concerned by the restrictions of the Trust Companies Act. The aggregate amount which a trust company may accept on deposit or for investment in its guaranteed certificates is limited to ten times its capital and reserves.

As I have stated, the Guaranty Trust Company in 1947 amalgamated its business with the Capital Trust Corporation Limited. In consequence it increased its capital to $1,000,000 in 1947, with the approval, of course, of parliament; and the paid-up capital and reserves now stand at over $1,552,000.

The purpose of the bill is solely to put the company in a position, by increasing its capital stock, to take care of the continuing normal expansion and growth of its business, and at the same time to observe the restrictions of the Trust Companies Act as to the amount of funds it may accept from the public.

If this bill receives second reading, I would suggest that it be sent to the Committee on Banking and Commerce.

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

REFERRED TO COMMITTEE

On motion of Hon. Mr. Roebuck the bill was referred to the Committee on Banking and Commerce.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Tuesday, March 29, 1949

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

Prayers and routine proceedings.

WORLD METEOROLOGICAL ORGANIZATION

NOTICE OF MOTION

On the orders of the day:

Hon. Mr. Robertson: Honourable senators, I beg to give notice that two days hence I shall move:

That it is expedient that the houses of parliament do approve the convention of the World Meteorological Organization signed at Washington on October 11, 1947, and that this house do approve the same.

Hon. Mr. Haig: Honourable members, I think the leader might tell us what he is talking about.

Hon. Mr. Hugessen: Stars.

DIVORCE BILLS

THIRD READINGS

Hon. Mr. Haig, for Hon. Mr. Aseltine, moved the third reading of the following bills:

Bill W-5, an Act for the relief of Diane Grossman Botner.

Bill X-5, an Act for the relief of Rosina Templeton McIndoe Corliss.

Bill Y-5, an Act for the relief of Lily Tansky Dratofsky.

Bill Z-5, an Act for the relief of Anna Rosemarin Barsuk.

Bill A-6, an Act for the relief of Christy Margaret Chisholm Cook.

Bill B-6, an Act for the relief of Maud Ross Travers.

Bill C-6, an Act for the relief of Mary McDowell Hyslop Forbes Cahill.

Bill D-6, an Act for the relief of William Jackson.

Bill E-6, an Act for the relief of Vera Mildred Holley Martel.

Bill F-6, an Act for the relief of Ruth Gorofsky Hall.

Bill G-6, an Act for the relief of Rita Latour Shugar.

Bill H-6, an Act for the relief of Margaret Martin Stewart Scofield.

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

AGRICULTURAL PRODUCTS BILL

SECOND READING

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. Robertson for the second reading of Bill 126, an Act to amend the Agricultural Products Act.

Hon. R. B. Horner: Honourable senators, to be quite frank, I might have concluded my remarks on this bill last evening. Some few days ago I read a newspaper report of what I thought was a fine speech, delivered by Mr. J. A. Marsh before the Toronto Chamber of Commerce. I could not locate the article before I came into the Senate yesterday, and I have not yet laid my hand on it. It set out much more clearly than I can the way in which Great Britain is acting in the matter of trade. We producers feel that it is not logical for us to continue to make further sacrifices.

Now, four years after the war is ended, this bill proposes to renew for another year the full powers of the Minister under the provisions of the Agricultural Products Act. One of my objections to it is that it enables him to deal internally, as between one class and another in Canada. The question of the buying and selling of coarse grains in Canada is bound to come up. Honourable senators will recall that the senator from Churchill (Hon. Mr. Crerar) dealt fully with this phase of the question last year. He pointed out that it was dangerous for any government to have such powers.

The Minister most closely associated with this legislation has openly boasted that all his speeches are political, and that therefore they are all good. I do not object to his speeches—they have been political for the past forty years—but I am opposed to a measure of this kind being used for political purposes. Last summer, when the Minister was visiting Alberta, I was in Calgary. One of the papers there, either the *Albertan* or the *Herald* quoted him as saying on the question of the shipment of cattle to the United States that all a government needs to do is give the people something a couple of weeks before an election. Another statement credited to the Minister was to the effect that had cattle been allowed to cross the American border there would have been a rise in the cost of living in Canada. In other words, in order to keep down the cost of living in this country the producers were penalized. I maintain that the burden should have been shared equally by all. As you know, we have our hardships in the West, and there are times when there are no profits.

Honourable senators may have followed the recent debates in the United States Senate concerning the Marshall plan for an

expenditure of $5 billion. During those debates a certain statement made by Harold Wilson in the British House of Commons came in for some criticism, and it was asked whether Britain was exporting to countries behind the iron curtain goods which were capable of being used for war purposes. This statement was that Britain's trade policy would be guided by economic advantage.

The honourable senator from Southern New Brunswick (Hon. Mr. McLean), who is an experienced trader, recently made the suggestion that we should be concerned about our future markets. I agree with him on that, but as a producer in this country I am opposed to a policy which limits the price which one class may receive and leaves other classes free to trade without interference or control. Canada is about to celebrate the addition of a great province to the East; that is fine, but it would be a sad event if one day we should lose some of our provinces to the West.

Some Hon. Senator: Where would they go?

Hon. Mr. Horner: To the United States. It would be a sad thing to lose those provinces just because of their inability to make their voices heard.

Honourable senators, I have always paid close attention to the movements of live stock. Approximately a year ago at a time when Westerners could not sell one head of their cattle, 100,000 head of Eastern dairy cattle were sold in the United States for high prices. I have talked to different buyers around this part of the country, and I know of one man who bought eight bulls for slaughter. He delivered them one at a time in his truck because he did not want anyone to find out the purpose for which he was really delivering them. I also know that cows which were never intended to be dairy cows, because they could not be milked for more than a month, have been bought for slaughtering purposes. I have seen this going on all around here, but the West has been restricted by regulations.

Perhaps the people in Western Canada have not been voting as the Minister of Agriculture would like them to vote. Perhaps he believes in the theory that the more you kick a dog around the better friend he will be. That may be his policy. I think more regard should be shown to that part of the country which in the past has done such a valuable food-producing job, and which can provide new wealth for Canada in the future. I refuse to believe for one moment that the purpose of this legislation is to provide cattle for Britain, because she is able to buy cattle from the Argentine and other countries. The real purpose of this measure, as has been stated in the press and by public men in this country, is to force western farmers to take lower prices for their beef in Eastern Canada so that the cost of living may be kept down.

These, honourable senators, are my objections to the continuation of this legislation for another year.

Hon. Norman P. Lambert: Honourable senators, I just wish to speak briefly to this bill. In the first place, I fail to follow the logic of my honourable friend from Blaine Lake (Hon. Mr. Horner) when he accuses the Minister of Agriculture of dealing, in this measure, in terms of partisan politics, and at the same time can see in it nothing but disadvantage to the producers of Western Canada.

If a great sacrifice is being made by the rank and file of producers of cattle, hogs and cheese as a result of a partisan political measure, then surely the author of that legislation would meet with the disapproval of those producers at least. I assume that the senator from Blaine Lake (Hon. Mr. Horner) has a certain regard for the political ability of the author of these bills, and therefore it strikes me that his remarks in that respect were not sound or logical.

I think the information we require about the operation of this bill in the coming year can be given to us in committee. I should like very much to know, for example, just what the production of cheese, bacon and eggs is likely to amount to in relation to the demand for these commodities. We know there is a contract for 50 million pounds of cheese, to be carried out on the basis of 30 cents a pound. I should like some information as to the production of cheese in excess of 50 million pounds, and the reasons why permits cannot be granted for the sale of that excess elsewhere than in the British Isles. I have in mind the case of a man I know who is in the cheese business. He had a definite offer from the United States for a million pounds of cheese at a price much higher than 30 cents a pound, but was not permitted to take advantage of that offer because of these agreements. I mention that purely by way of example. I have no doubt that in committee we may secure information to explain such cases as that, which rather suggest the very thing that we are trying to get away from, namely, bilateral dealing.

Hon. Mr. Haig: Hear, hear.

Hon. Mr. Lambert: Bilateral agreements are not part of the conception which the world is trying to encourage today—particularly that part of the world which includes the United States, Great Britain and other countries that have been parties to the great

objective of the international trade agreements and the Havana charter. It is to be hoped that by another year the scene will have cleared very materially, so as to broaden the scope for the sale of such of our primary products as cheese, bacon and eggs. In my own mind I am satisfied that the regulations accompanying these food contracts might be relaxed to some degree, so that our producers could get permits for the sale of their surplus supplies in the United States or elsewhere—possibly at better prices than can be obtained from Britain—without in any way interfering with the undertaking to export a certain quantity to the Old Country. I look with a good deal of interest to the discussion in committee, where I hope we shall have officials and others who can satisfy us on some of these points.

Hon. John T. Haig: Honourable senators, I think the honourable member from Blaine Lake (Hon. Mr. Horner) clearly set out the reaction of farmers on the prairies to this bill. I do not think there is any doubt about that at all. I am troubled about a speech made a few days ago by the honourable gentleman from Southern New Brunswick (Hon. Mr. McLean). I am not going to discuss it at all; I just wish to call attention to it. To me it was the most disturbing speech that I have heard here this session.

There has been a good deal of discussion about trade between the United Kingdom and Canada. There is no doubt that the United Kingdom believes in the control of its trade by the government, or that the British people are hard bargainers. A few days ago the *Times* of London admitted that Britain had saved up to that time, on the wheat alone that she had bought from Canada, £100 million, which at the current rate of exchange is roughly $400 million. But that did not prevent British manufacturers from selling to Russia, or other countries behind the iron curtain, electrical supplies that we would have been glad to get. Britain sold to those countries, and bought from them in return because their rates of exchange were more favourable than ours, and in the final result she could get a higher price for her commodities than if she had sold them to us.

Now, honourable senators, I take second place to no man or woman in this house in my admiration of the British people as defenders of freedom, as leaders of democracy in the world, and as a great literary nation; but I repeat that they are hard traders, desperately hard traders, and I do not see why Canadian farmers, such as the honourable member from Blaine Lake (Hon. Mr. Horner), should have to subsidize them to help them maintain a policy that we do not believe in. That is the issue. This whole organization that we are concerned with today stands for the maintenance of that kind of policy, and that is why I object to it.

We lent the British people millions of dollars.

Hon. Mr. Horner: Billions.

Hon. Mr. Haig: I am not objecting to the millions we gave them. That was part of the price we paid for helping to defend freedom. I am agreeable to that. I also am agreeable to our write-off of $500 million in the adjustment of the air training scheme. I consented to that with my eyes open, but I do not consent at all to making a deal with Britain for the sale of our products at prices that mean a loss to us, when she turns around and does business with other people instead of with us. That is what I object to, and that is what we as Canadians ought to object to. And that is the issue behind the extension of controls under these bills.

I am not a preacher of pessimism. I know as well as any other man or woman in this chamber the possibilities of our country, and I have confidence in its future, but I realize that we are in the midst of a desperate world situation. If the United States cut off the supply of dollars to Europe under the Marshall plan we would immediately become bankrupt; we would have in this country a depression the like of which we have never known before. We have got to size up that situation and be prepared to meet it. We have heard a great deal about the Bennett agreements of 1932 being no good, but perhaps before this economic struggle with Europe is over we shall find that they were better than we thought.

It is all very well to talk of free trade when there is a possibility of free trade, but we are now in a world of controlled trade. I am afraid that unless we can get Britain to realize that to the utmost possible extent her trading should be done with us, we are going to have a harder struggle with that country than we have ever had. Hydro-electric power is being extensively developed in this country. My own province has only enough electric power to meet expected requirements up to 1952. After that we may be "up against it." On the Winnipeg river we are starting to build a new station, but it will not be able to produce enough extra current to carry us along for more than three or four additional years. Then we shall have to go up to the Nelson river, where there is unlimited power, but in order to develop it we shall need first-class machinery and other equipment. Now, the British people make good machinery and equipment of the type that we need over here, and we would like

to get some of it; but instead of it coming here, it is going to Russia or some other country.

Hon. Mr. Campbell: May I ask the honourable leader opposite a question? Does he suggest that the British are refusing to sell us this electrical equipment?

Hon. Mr. Haig: Oh, yes, I do. They sell it to other people because they think they get a better deal.

Hon. Mr. Campbell: But it is available to any manufacturer or organization who wishes to buy it, and it is being shipped into Canada.

Hon. Mr. Haig: We cannot buy it. It is priced so high that it cannot compete with the product of other manufacturers.

We in Western Canada have got to have the European market for our goods. I, as a Westerner, want that market to be secured for us. The farmers of the Prairie Provinces have been clamouring to sell their cattle, hogs, poultry and lumber to the United States, but they have been denied that market by the government. I want the people of Canada to appreciate that we in the West are desirous of free trade with the people of the world. That is of course not entirely possible today, but the situation must be appreciated by all. We in Western Canada have sacrificed for years, and we are willing to continue to sacrifice provided the people in the rest of Canada realize what we are doing. The very first time Eastern Canada had an opportunity to give us a hundred cents on the dollar for our product, we were turned down; and this despite the fact that in 1946 and 1947 we lost over $500 million on the grain contract alone. That fact is now admitted; it cannot be denied. We have received $1.55 a bushel for wheat to be used in the making of bread when we could have sold it on the world market for at least a dollar a bushel more. Further, we were required to pay our share of the 46-cent subsidy on flour. These are things that Eastern Canada does not know.

Hon. Mr. Campbell: Does my honourable friend suggest that the millers in Eastern Canada bought flour to manufacture into bread at $1.55 a bushel?

Hon. Mr. Haig: The price was $1.55 a bushel until about a year ago.

Hon. Mr. Campbell: Oh, no.

Hon. Mr. Haig: Yes, it was. I have the figures right from the government bureau.

Hon. Mr. Campbell: Well, I should like to see those figures. If I may attempt to explain the situation, it is this: After the payment of a subsidy, the net price to the miller was brought down to $1.55.

Hon. Mr. Haig: No, no. The price of the wheat that went into bread was brought down to 77 cents a bushel, and that is the price that was paid by the people who consumed the bread. The rest of the people of Canada paid the difference between that figure and $1.55. The price was $1.55 a bushel with a 46-cent subsidy—and the farmers sold 77 million bushels of grain in the year 1946, and 78 million bushels in 1947. I speak from the book, my friend. I have the report of the Canada Farm Board right on my office desk now, and if my friend wishes, I shall adjourn the debate until tomorrow and get the report for him.

As a result of this policy the people of Eastern Canada ate bread made of wheat that we sold for at least a dollar a bushel less than the world price. Further, we were required, as I said before, to pay our share of the 46-cent subsidy. The same argument applies to cattle. We were kept out of the American market—

Hon. Mr. Howard: When the price was low.

Hon. Mr. Haig: —and the price was high for years. I want the people of Canada to give us a chance in the world of free trade, and not to restrict us. Under this legislation the government seeks to permit the Minister of Agriculture to take charge of the selling of our eggs, bacon and cheese, at a price that he thinks proper. After our experience with the grain legislation, we do not think much of his judgment as to what is proper.

My honourable friend from Ottawa (Hon. Mr. Lambert) has suggested that the Minister of Agriculture may get a lot of votes from the western provinces in the next election. I warn him not to bank too strongly on that hope. I think he will find that the C.C.F'ers will be at the top of the ladder.

Hon. Mr. Horner: Oh, no, my friend! You are wrong there.

Hon. Mr. Haig: They are taking advantage of what the government is doing. In effect they say, the government has given you so much, but we can do better for you.

The conditions of world trade today are very bad. Trade is only maintained by the strength of American dollars. Apart from controls there seems to be no effort on the part of the Canadian government to overcome this condition. The government talks a great deal about the Geneva Agreements. True, they are very sound in theory—but not in practice. For instance, they allow another 200,000 head of cattle to enter the United States; but had Mexico been permitted to

ship the cattle to that country, how would Canada have fared?

Honourable members, this is a problem that we in Canada must face within the next year, with all the vigour possible. It must be remembered that France has this year produced a surplus of wheat. In a day or two we shall have before us the Wheat Agreement, from Washington, with a request for approval. Neither Argentina nor Russia is a party to that agreement. As a small boy my first business knowledge concerned wheat. That was a long time ago, and in those days the Russians were in the market. Russia will be in the market again; and will do everything possible I believe to destroy our market and bring about a depression in this country.

Hon. Mr. MacLennan: We want no truck nor trade with the Russians.

Hon. Mr. Haig: That is true, but our customers in Europe will trade with them.

This policy of making agreements between governments can only lead to trouble. I agreed with my honourable friend from Ottawa (Hon. Mr. Lambert) when he asked about the possibility of a manufacturer selling say, a million pounds of cheese? People do not know where they stand. That is the problem that runs through this whole control policy. Personally, I am against such a policy, and I have always been against it. As I have said previously, for the life of me I cannot understand how a Liberal government, or men who say they are Liberals and liberal-minded, can subscribe to such a policy.

Hon. Mr. Copp: Anything for the good of the people.

Hon. Mr. Haig: I thought only Conservatives believed in control by tariffs. With a system of tariffs one at least knows where he is—where he starts and where he stops; but under the control system one never knows where he is. We had before a committee the other day a certain controller who was typical of such officials. He thought that the world would come to an end if controls were taken off. Of course I think the world would carry on just the same. It is a strange thing that for years the Conservative party has been fighting against controls, for if history means anything, that is the party which should be sponsoring such measures. But it is the Liberals who are fighting to maintain the control system.

My honourable friend from Churchill (Hon. Mr. Crerar) wisely suggested the other day that at the end of the war we should have thrown out these controls, got down to cases and competed freely in world trade. I believe that as long as we have controls the rest of the world will have them. I am definitely opposed to this bill and to the idea of controlling trade generally.

Hon. Mr. Crerar: I had a question that I wished to ask my honourable friend, but I felt that I should refrain from interrupting him during his remarks.

Hon. Mr. Haig: I agree with you.

Hon. Mr. Crerar: But what my honourable friend says—

Hon. Mr. Haig: Is this a question or a speech?

Hon. Mr. Crerar: —leads me to ask this question: "Would my honourable friend support the freest possible trade arrangement we could now make with the United States?"

Hon. Mr. Haig: I will answer that question. I believe in freer trade and the chance for freedom of trade, when it does not mean the wiping out of an industry that has taken years to establish and which has proven satisfactory to the whole country. My honourable friend from Churchill may think that Western Canada complains about tariffs. That is not so. What Western Canada complains about is controls. We are opposed to our trade being controlled, and we want to see controls abolished.

Hon. Mr. Roebuck: I think my honourable friend (Hon. Mr. Haig) will answer my question with pleasure. In the early part of his remarks he spoke of Canada going bankrupt. Now, bankruptcy is a technical term and has certain connotations, the chief of which is inability to pay one's debts as they fall due. I suggest that my honourable friend explain what he means when he talks about Canada going bankrupt.

Hon. Mr. Haig: What I mean is that this country will experience another depression such as it had before.

Hon. Mr. Roebuck: That is not bankruptcy.

Hon. Mr. Crerar: No, that is not bankruptcy.

Hon. Mr. Euler: You should not use that term.

Hon. Mr. Haig: There is no question about Canada's ability to pay her debts.

Hon. Mr. Roebuck: Well, then, would the honourable senator withdraw the word bankrupt?

Hon. Mr. Haig: All right. I shall use the word "depression" instead.

Hon. Mr. Euler: That is better.

Hon Mr. Haig: My claim is that our present standard of living will disappear unless we build up our world trade.

Hon. T. A. Crerar: During the speech of my honourable friend (Hon. Mr. Haig) I had strong hopes that he would broaden his old views on international trade, but in response to my question he got back on good solid protectionist ground.

I did not intend to say anything during this discussion—

Hon. Mr. Haig: I knew my honourable friend would when I got through speaking.

Hon. Mr. Crerar: —but I wish to say that those criticizing the United Kingdom, which in the past has been one of our important markets fail to take into consideration the tremendous change brought about by the war. Britain is just as anxious to trade with Canada as she is to trade with any other country, but she is forced to do the very thing that my honourable friend advocates—she trades today, where, in her difficult situation, she can do so to the best advantage.

Hon. Mr. Horner: May I ask a question?

Hon. Mr. Crerar: I shall give you a chance when I am finished.

We want the British market and Britain needs and would welcome our products. But how is she to pay for them? She is able to pay for some products with Marshall dollars, but when that spring dries up the situation may be much more difficult. I recall that in the dark thirties the price of wheat dropped to the lowest point in 300 years. We were storing wheat by the hundreds of millions of bushels, and at the same time starvation was rampant in some parts of the world. Why did we not send our wheat to these areas? The mechanism did not exist for making the transfer. The countries in which these areas existed could not buy our wheat, and we refused to give them credit which we never expected would be repaid.

Honourable senators, we want a little common sense and realism in the discussion of these matters. Ever since the war, Britain's problem has been to balance her payments with the so-called sterling areas as well as the dollar areas of Canada and the United States. It has only been within the last few months that she has been able to overcome this difficulty so far as the sterling areas are concerned.

During another debate a few days ago I said that the currents of world trade were greatly altered, perhaps permanently, by the war. The reason for this is that in the early years of the war, before the United States entered into the hostilities, Britain had to realize heavily on her overseas securities. In other words, she said to her nationals at home, "If you own Canadian bonds, or shares in the Noranda Mining Company, the International Nickel Company or any other company in Canada or the United States, you must surrender them to us. We will take them and give you British Government bonds in exchange." This was done in a large way. The government then took these securities and marketed them in the United States and Canada to get the dollars to buy the wherewithal to prosecute the war. Let no one lose sight of the fact that in doing this, Britain sacrificed for all time the income on these investments which she sold—an income from which she derived a large measure of her monetary requirements for the purchase of Canadian products.

I would be the last one to criticize Britain for trying to put her own house in order. After all, Britain is a country of 50 million people, and her resources are as nothing compared to ours. We are a people numbering 12 or 13 million, situated in a country whose natural resources in minerals, timber, fish and agricultural possibilities are unsurpassed. Quite frankly, I have no sympathy with those who criticize Britain at this moment. If the present situation underlines anything, it is the need for this country to secure markets wherever it can find them. That is why I would welcome the broadest trade arrangement we could negotiate with the United States.

Hon. Mr. Horner: So would I.

Some Hon. Senators: Hear, hear.

Hon. Mr. Crerar: In my judgment a broad trade arrangement is the one thing that will pull us through in the end. My judgment is not going to be influenced by the consideration of protecting any individual industry in a certain part of Canada. This whole problem must be viewed on a broad scale. I agree largely with the honourable leader of the opposition (Hon. Mr. Haig) and the honourable senator from Blaine Lake (Hon. Mr. Horner) when they argue that this country could undoubtedly have done better had we been free since the end of the war to sell our products where we could get the best price for them. But it must be remembered that we have been limited by our agreements with Great Britain. I am glad that my honourable friend from Ottawa (Hon. Mr. Lambert) touched upon the effects of bilateral trade agreements. My observation definitely leads me to the conclusion that bilateral trade agreements nearly always work against the exporting country and for the benefit of the importing country.

Hon. Mr. Haig: Hear, hear.

Hon. Mr. Crerar: What happens when we have a bilateral agreement on wheat? The traders who formerly searched out markets

in other parts of the world find their hands tied. They no longer search for markets for their wheat; everything is worked out through one state agency. The same is true with respect to cheese. The honourable senator from Ottawa gave an illustration of that. If Canadians should stand for anything, it is multilateral trade and the greatest possible removal of the barriers to trade.

Right Hon. Mr. Mackenzie: Hear, hear.

Hon. Mr. Crerar: That is the only way by which we can ever hope to support the mountain of debt that now rests on not only our federal government but also on our provincial and even our municipal governments. That is the only way by which we are ever going to be able to carry the heavy burden of social security in the federal, provincial and municipal fields—a burden which today probably accounts for more than 25 per cent of the total taxes collected in this country. Canada's resources must be developed, for by no other means can we reach a position of security.

This bill extends the life of the Agricultural Products Act for only one year. I hope that twelve months hence we shall not be told again that contracts have been renewed here, there and elsewhere, and that consequently there must be an extension of the powers under this Act for another year. That, I think, would be a serious mistake.

Honourable senators, I had not intended to take part in this discussion at all, but my good friend the leader of the opposition (Hon. Mr. Haig) stirred me a little bit—

Hon. Mr. Haig: I thought so.

Hon. Mr. Crerar: —and I felt the compulsion to say something.

Hon. Mr. Horner: Honourable senators, the question I wished to ask was this: In view of the complete change in the British Government and the experiment with socialism in Britain, does the honourable gentleman think the British people are now as eager to deal with us as they formerly were?

Hon. Mr. Crerar: If I understand the British people aright—and I have had a considerable measure of experience in dealing with them—they will buy and sell wherever they can do so to their own best advantage. It is true that for many of their food imports they are today paying prices higher than we would charge for these commodities; but at the same time, for the products that they have to export they are getting much higher prices than we would pay. Besides, much of their trading is done under bilateral agreements with European countries, where the pound sterling is not subject to discount, and we must remember that not many Canadians or Americans are willing to take in exchange for goods large sums in pounds sterling which it will be difficult to convert later into dollars.

Hon. Mr. McLean: Honourable senators, I should like to call the attention of the honourable gentleman from Churchill (Hon. Mr. Crerar) to the fact that the cream of our commercial securities is still in Europe. Some of the Canadian National Railways bonds and certain odds and ends have been repatriated, but to the amount of $1\frac{1}{2}$ billion the cream of our securities is still in Europe.

Hon. Mr. Crerar: I am unable to make any comment on that statement, but I do know that in the early days of the war, if my memory serves me rightly, Canada repatriated more than three-quarters of a billion dollars' worth of its securities held in Britain, including practically all the securities outstanding against the Canadian National Railways. The British have lost their securities in the Argentine. They owned the Argentine railways and drew large profits from them, but the railways were taken over by the government of that country and the proceeds used to pay a debt owed by Britain to that government. The situation with respect to the United States was similar. I am saying this on the authority of a statement published in the London *Economist* not long ago by way of illustrating the difficulties that Great Britain is in at present.

Hon. Mr. McLean: Honourable senators, Canada is practically the only Commonwealth nation that has not taken back most of its securities. South Africa and India, for instance, have done this, but, as I have said, the cream of our commercial securities remains in London and Paris, and to some extent in Holland.

The Hon. the Speaker: Honourable senators, the question is on the motion for second reading of Bill 216, an Act to amend the Agricultural Products Act. Is it your pleasure to adopt this motion?

Some Hon. Senators: Carried.

Hon. Mr. Haig: On division.

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

REFERRED TO COMMITTEE

Hon. Mr. Robertson: I move that this bill be referred to the Standing Committee on Banking and Commerce, which will meet immediately after the Senate arises this afternoon.

The motion was agreed to.

DIVORCE COMMITTEE

SENATORS IN ATTENDANCE

On the motion to adjourn:

Hon. Mr. Haig: Honourable senators, I rise on a question of special privilege. My deskmate (Hon. Mr. Aseltine), the honourable gentleman from St. Boniface (Hon. Mr. Howden), the honourable gentleman from Calgary (Hon. Mr. Ross) and certain other honourable members have been absent from this afternoon's sitting. I wish to inform the house that they are attending a meeting of the Divorce Committee. The committee is likely to be sitting for some time, so they will not have an opportunity to make an appearance here before we adjourn. In the circumstances, I think it is only right that they should be shown on the register as being present.

Hon. Mr. Howard: If the honourable gentleman will give me a list of their names, I shall see that this is attended to.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, March 30, 1949.

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

Prayers and routine proceedings.

APPROPRIATION BILL No. 1

FIRST READING

A message was received from the House of Commons with bill 174, an Act for granting to His Majesty certain sums of money for the public service of the financial year ending the 31st March, 1950.

The bill was read the first time.

SECOND READING

Hon. Wishart McL. Robertson moved the second reading of the bill.

He said: Honourable senators, for the benefit of those who are not familiar with procedure of parliament in voting money for the public service, I may say that at about this time in each session, after the estimates have been brought down, but before they have been considered in detail, it is the practice of the government to present a bill for the granting of interim supply, in order that the business of the country may be carried on for a specified period. The passage of this bill does not prejudice the right of any member to discuss and criticize any item in the estimates later in the session, when, if circumstances make it desirable, there will be further measures of interim supply.

This bill, a copy of which, I believe, is on the desk of each honourable senator, follows the general practice in asking for certain proportions of that part of the total estimates which is not "otherwise provided for." The phrase "otherwise provided for," which will be found in sections 3, 4 and 5 of the bill, has to do with amounts which, being statutory, do not have to be provided for specifically year by year.

The first item that is asked for under this bill is $230,145,541; this sum being one-sixth of the total estimates to be voted, and constituting approximately two months' supply as calculated on a mathematical basis. Honourable senators will realize that while there are some types of expenditures which run more or less evenly throughout the year, there are certain others which, in the given period, require more than the one-sixth allocated to them.

These expenditures are indicated in three categories, the first of which appears under schedule A of the bill. On turning to section 3, it will be noted that in addition to the one-sixth asked for under section 2, there is a further sum of $1,791,333.33, this being one-third of the amount of each item in the estimates as set forth in schedule A. Two services are affected by this provision, namely freight assistance on western seed grains, and the Canadian International Trade Fair of 1949. I assume that in respect of those two items the monetary requirements will not be evenly distributed over the year, but will arise within the next two or three months. For this reason the additional one-third is being asked for.

Right Hon. Mr. Mackenzie: The same as last year.

Hon. Mr. Robertson: Yes, on the same basis as last year. The second classification appears in schedule B, pursuant to section 4, in which the sum of $301,339.50 is asked for. The additional one-sixth of the amounts set forth under schedule B relates to Canadian representation at international conferences, and the general administration of parliament, including the Senate and the House of Commons, whose expenditures are concentrated in the early part of the fiscal year. The third classification appears in schedule C, referred to in section 5, and amounts to the sum of $2,168,752.75, which, it will be noted, is one-twelfth of the items set forth in the schedule. These cover experimental farms, service representatives abroad, services of the Mines and Resources Department, including various activities of the Lands and Development Services Branch, together with certain phases of the activities of the Department of Trade and Commerce. I fancy that the same argument that applies to the one-third also applies here, though perhaps in lesser degree. It is desirable that these various activities be got under way early in the fiscal year.

Honourable senators, these constitute the amount of interim supply asked for. May I repeat that at any subsequent date honourable senators may rise and discuss any matter which properly comes before this house in connection with this legislation.

Right Hon. Mr. Mackenzie: May I ask the honourable leader one question? In schedule B the estimate of the Clerk of the House of Commons is given as $800,730. Is that amount for increase of salaries? My honourable friend does not need to answer the question now.

Hon. Mr. Robertson: I should think that is the total expense for the Senate and the House of Commons. One-sixth of the total expenses for the year is being asked for in addition to the one-sixth that is being asked for generally under the first item. This is because the expenses of parliament are generally incurred during the first three or four months of the session.

Hon. Mr. Haig: Will the honourable senator explain the first item in Schedule A? I do not know why the amount should be so large.

Hon. Mr. Robertson: Is that the item of "Freight assistance on western feed grains"?

Hon. Mr. Haig: Yes.

Hon. Mr. Robertson: I am not conversant with the details, but I imagine it closely approximates the amount provided for last year. Frankly I cannot say whether it is greater or less.

Hon. Mr. Aseltine: Apparently it is the intention of the government to continue to pay freight on western grains shipped to eastern Canada for food purposes.

Hon. Mr. Robertson: I should think so; but whether the amount is greater or less than it was last year, I cannot say.

Right Hon. Mr. Mackenzie: Is this legislation going to be referred to committee?

Hon. Mr. Robertson: Not unless it is the pleasure of the house to refer it. It is desirable that Royal Assent be given to this bill tonight, but this would not preclude any honourable senator from discussing the various items on another occasion.

Hon. Mr. Haig: I understand that as in former years, our rights are reserved until the general debate takes place on the budget when it comes down to this house. The only trouble is that the budget never gets here until the last three or four days of the session.

Right Hon. Mr. Mackenzie: The budget is down now.

Hon. Mr. Haig: The budget is not before us.

Right Hon. Mr. Mackenzie: It is before the whole country.

Hon. Mr. Haig: I am wondering whether honourable senators from Ontario, Quebec, and the Maritime Provinces know what the item of freight assistance on western feed grains means. It means that we poor people of western Canada have got to feed our cattle on our own grain at the market price. If we are permitted to sell our cattle to the United States, well and good. Otherwise, we ship them to the markets in Eastern Canada, and pay the freight on them. On the other hand we pay part of the freight on feed shipped from the West to Ontario, Quebec and the Maritimes, and eastern purchasers get it at the same price that we do. What the eastern farmers save in freight charges on feed they can deduct from the price of their cattle. In that way they can undersell us, and I do not think it is fair. If Ontario, Quebec and the Maritimes want cheap feed, let the governments of those provinces bonus the farmers, and for goodness sake let us put an end to this business of having the West help supply the East with cheap feed.

Hon. Mr. Leger: We have simply been trying to help the western provinces.

Hon. Mr. Haig: Well, the West does not need that kind of help. If the government will let us have an open market for our feed in the United States, we can get far more for it over there.

Hon. Mr. Leger: How much do we pay for irrigation?

Hon. Mr. Haig: Nothing.

Hon. Mr. Euler: How much do we pay for prairie farm assistance?

Hon. Mr. Haig: The cost of prairie farm assistance is taken out of each farmer's receipts from the sale of his grain.

Hon. Mr. Euler: No, it is taken out of the taxes of Canada.

Hon. Mr. Haig: I disagree with my honourable friend. There is a tax of 1 per cent on every bushel of grain that goes to the market.

Hon. Mr. Nicol: How much does Manitoba pay of the total of $4,750,000?

Hon. Mr. Haig: It pays its proportionate share.

Hon. Mr. Nicol: How much is that?

Hon. Mr. Haig: I do not know.

Hon. Mr. Nicol: About 3 per cent.

Hon. Mr. Haig: I do not know what the percentage is, but we pay our share.

I want to speak now on another item. My honourable friend from Toronto-Trinity, (Hon. Mr. Roebuck) has always given me the impression in this house that he is a fighter on behalf of the under-dog.

Hon. Mr. Roebuck: Thank you.

Hon. Mr. Haig: I want to tell him where there are some under-dogs, and he had better get busy. If he will visit the experimental farms across Canada he will find that casual labour, which in this case means permanent labour, is paid at the rate of 50 cents an hour, and the labourers must pay for any of their own produce that they consume.

On the Manitoba farm there is a boarding house, and the men who live there are charged $30 a month. If the housekeeper uses any of the farm products she has to pay the regular wholesale prices for them. I know some of these labourers who have as many as five children in their families, and it passes my understanding how they manage to get by on a wage of 50 cents an hour for forty-four hours a week. The higher officials on the farms are paid well, though not more than

they deserve. I do not always agree with the policies of these farms, but they are attempting to help our farmers. It is beyond my comprehension why they pay labourers only 50 cents an hour.

Hon. Mr. Beaubien: Is that the provincial minimum wage?

Hon. Mr. Haig: Oh no. The provincial minimum wage is about 70 cents.

Hon. Mr. Beaubien: Not in Manitoba, I think.

Hon. Mr. Haig: I think it is. But regardless of the minimum wage, I cannot understand why this rate is so low. The men who work on the farms permanently are referred to as "casual labour," and a man who happens to displease the head of a farm can be discharged at any time, so he is not even certain of the tenure of his employment. I object to this low scale of wages. That is the kind of thing that gives the C.C.F. party and the communists ground for criticism. In the face of such low wages I cannot justify a sessional indemnity of $6,000 for a senator. As I have said, I know some of these labourers and I know of the conditions under which they live. How can a man bring up a family of five children and make good citizens of them on a wage of 50 cents an hour? True, board and room can be had for $30 a month, and how the housekeeper gets by on that I do not know. Of course, the board is awful, although one might expect the opposite on experimental farms where there is an abundance of fruit, vegetables, poultry and hogs. A great deal of what is produced goes to waste. I admit that it is grown for experimental purposes, but surely the men and women who work on a farm should not have to pay regular prices for produce that they need for their own consumption.

I feel very keenly about this. I am not protesting against the management, or the head man or the second man or the third man or any other man in particular. I know all of them on the Manitoba farm. They are doing a really good job, and I have nothing but praise for their work. But I protest, and bitterly, that men should have to work on a Dominion Government farm for such low wages as 50 cents an hour. I am not criticizing the government for this. I presume the wages paid by the preceding government were no higher. I am protesting in the hope that the leader of the government will bring the matter to the attention of the government and that some improvement will be made.

Hon. Mr. Comeau: Honourable senators, I am speaking subject to correction, but I do not believe the government pays the freight on feed from the West to the Maritime provinces.

Hon. Mr. Haig: I wish that were so, because I think the people down there are too independent to accept that kind of charity.

Right Hon. Mr. Mackenzie: Honourable senators, I am in accord with most of what was said by the honourable leader of the opposition (Hon. Mr. Haig), but I disagree with his remarks about Western Canada. I recall the dark days of the depression, when a man called R. B. Bennett said "I will make tariffs fight for you and I will blast a way for you into the markets of the world". I also recall that Eastern Canada came to the rescue of Western Canada with the most generous gifts that Western Canada ever received. I was a member of the cabinet council when the present Minister of Agriculture in one year got $30 millions for the province of Saskatchewan. Who paid for it?

Some Hon. Senators: The Dominion of Canada.

Right Hon. Mr. Mackenzie: The taxpayers of Canada paid for it. I have the utmost friendship for the people of Eastern Canada and appreciate all that they have done to help solve our western problems. I think it is a mistake to emphasize sectional or regional differences in this country; and to suggest that the West has been persecuted by the East is untimely and unjust. As a westerner who believes in a united Canada, I resent any attempt to bring about sectionalism in our country. Canada is and must be one country, and it must be united in its fiscal, economic and trade policies.

Hon. Mr. Roebuck: Honourable senators, until the point was brought up by the honourable leader of the opposition, I was not aware that wages as low as 50 cents an hour were being paid on the experimental farms. I can only say that it would appear to be time to change the system to which he referred. I trust that the leader of the government will take note of the statement which has been made, with respect to wages for one can say positively and emphatically that fifty cents an hour is not enough.

I was about to ask the leader of the government if the Canadian National Trade Fair is the one held regularly in Toronto.

Hon. Mr. Robertson: Yes. It takes place about the end of May or the early part of June. This, I gather is the reason for the additional amount that is asked for.

Hon. Mr. Roebuck: The fair commences on the last day of May.

Hon. Mr. Horner: Speaking of low wages, I wish to say to my honourable friend from Toronto-Trinity (Hon. Mr. Roebuck) that fifty cents an hour is more than will be made by the farmer who produces butter in competition with oleo.

Some Hon. Senators: Oh, oh.

Hon. Mr. Euler: How can the poor fellow afford to buy butter at the present price?

Hon. Mr. Howard: Question!

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

THIRD READING

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

Hon. Mr. Robertson: Now.

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

MAIL CONTRACTS SUPPLEMENTAL PAYMENTS BILL

REPORT OF COMMITTEE

Hon. Eli Beauregard presented the report of the Standing Committee on Banking and Commerce on Bill 123, an Act to amend the Mail Contracts Supplemental Payments Act.

He said: Honourable senators, the committee have, in obedience to the order of reference of March 28, 1949, examined the said bill, and now beg leave to report the same without any amendment.

THIRD READING

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

Hon. Mr. Robertson: Now.

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

AGRICULTURAL PRODUCTS BILL

REPORT OF COMMITTEE

Hon. Eli Beauregard presented the report of the Standing Committee on Bill 126, an Act to amend the Agricultural Products Act.

He said: Honourable senators, the committee have, in obedience to the order of reference of March 29, 1949, examined the said bill, and now beg leave to report the same without any amendment.

THIRD READING

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

Hon. Mr. Robertson: Now.

Honourable senators, before this bill passes I should like to make a general statement in reply to criticism concerning the limited time allowed this house for the consideration of certain legislation. What I have to say does not concern the bill now before the house, except to the extent that it is one of five measures as to which the time for consideration was limited. The remarks which I am about to make would be more applicable to certain bills passed last week than to the one before us.

Speaking generally, I find no fault with the criticism that the Senate is not given sufficient time for the consideration of important legislation. I have not the slightest doubt that, had I possessed the necessary temerity when I first came to this house, I would have expressed the same criticism when occasion arose.

I realize that the criticisms offered by honourable members might well be prefaced by the form so familiar in many recommendations: "To whom it may concern". Nevertheless, although the criticisms are not directed specifically at me, in my capacity as leader of the government in this house I feel some responsibility for the situation which provokes them. However, after reading the debates of previous sessions, and discovering that since confederation there has not been a year when this problem has not presented itself—certainly this is in accord with my experience since 1943—I am convinced that it will continue to face us in the future.

Blame for delay is often difficult to place. In the main, the government of the day has the major responsibility for the conduct of the business of parliament—at least that is the view of the opposition—but, by the same token, I am sure that some members of the government would urge that the blame for delaying legislation lies with the members of the opposition. Both sides may be partly right. On the one hand we have the government, which introduces legislation and hopes that it will be expedited; on the other we have the opposition, whose purpose it is to oppose—which is not very censurable—whether the performance of that function takes a long time or a short one.

I wish to answer specifically a remark made a few moments ago by the honourable leader opposite concerning the Appropriation Bill. In presenting this bill I opened my remarks by saying that its passage here would not deprive any honourable senator of the right to ask questions and further investigate any details of the estimates. Since I have been in this house the final Appropriation Bill has come down about a half hour before the prorogation of parliament. The reason for this is that by the time the debate on the budget is over in the House of Commons—assuming that other legislation

has run concurrently—the business of parliament is practically at an end. True, when the final Appropriation Bill comes before us, we in this house have the constitutional right to delay it for a week or two and cause the members of the other house to wait around until we have had ample time to investigate its details. Generally speaking, however, that procedure would not be practical, because, as honourable senators know, at that late stage of the session many travel reservations have been made and accepted, and there are few members of the other place present to witness the prorogation ceremony and not many honourable senators to participate in it. So I suggest that even though we protest as much as we like, this will not cure the situation.

If one looks at the subject from another point of view, one will realize the impressive responsibility, and the right and the opportunity that we have to devise some effective machinery to deal with such questions as have been raised by my honourable friend the leader of the opposition (Hon. Mr. Haig). I suppose that, even if I were a walking encyclopaedia of information about all government business, which I am not, I could hardly be expected to give the house a full explanation of such points as the one which has been raised. I do not know all the facts: there may be some extenuating circumstances, and there may not. But, once the budget is down in the other place, the estimates are before parliament, and reports on the interesting and important matters involved are being received. Surely, even though our rules do not permit us to consider the budget until it is formally before us, it is not beyond the wit of man to devise some means whereby any or every detail of government business can be put before the appropriate committee, so that honourable senators can address their questions to someone better equipped to answer them than a poor lone leader of the government, who, their own common sense must tell them, just does not know the answers. Surely there is a great opportunity before us. When honourable senators were discussing in this house the tremendous problems of Canada's trade, I thought of the sources of information that we have at hand in our ministers and their departmental officials. My impression is that there is not one of them, but would be only too willing upon reasonable notice, to give us the benefit of an experience which is very wide and valuable.

It has been my fortune to attend two meetings of the United Nations, and after seeing our permanent service in action, I am convinced that no country in the world is blessed with civil servants who have a clearer knowledge of these complex questions. Whatever some honourable senators may think of its value, the information is to be had; and I believe we ought to work out a practice whereby we would be served better than by waiting until the end of June, or whenever parliament is about to expire, when I am placed in the position of having to ask this house to vote billions of dollars on short notice.

I have been asked, "What do you mean by bringing in a bill like this without an opportunity for the Senate to discuss it?" I would remind my critics that when the Appropriation Bill is through the other place—assuming there has been reasonable progress with other legislation—parliament is very close to prorogation, and I ask, even though all of us were here and ready to go on, how much could we do in about half an hour? I hope that honourable senators, particularly those who have rendered a service in bringing this subject to the attention of the house, will give us the advantage of their considered opinion as to what method we could take to provide the necessary machinery.

Is there any reason why, for instance, the estimates of the Department of Mines and Resources, or of the Department of Agriculture, could not be referred to one or other of our committees? Why should not items relating to health and allied subjects come before the Committee on Public Health and Welfare? There may be some technical objections: I do not know.

Hon. Mr. Euler: Is there anything in the rules which would definitely prevent such action?

Hon. Mr. Robertson: I do not know that there is. But even if there were, it seems to me that if a change in the rules is advantageous to Senate business, the rules should be changed.

Hon. Mr. Euler: Surely.

Hon. Mr. Robertson: I have been greatly impressed with the possibilities of such action.

As regards legislation which was rendered necessary by the deadline of March 31, it seems to me that in enacting the sixty-day limit after the opening of parliament we were a little over-zealous, and that a ninety-day extension would have been more practicable. After all, the debate on the Speech from the Throne usually occupies about six weeks, and the right of discussion, with its opportunities for criticism, cannot be denied to the opposition.

It will be recalled, in connection with the Foreign Exchange Control Bill, that the report was down some days before we sat in

committee. It occurred to me afterwards that I, as leader in this house, should have pointed out that the debate on the measure might drift along until two or three days before the deadline, and that it would be better to refer the bill to the Banking and Commerce Committee—not necessarily to discuss the bill as such, but to give opportunities of dealing with the points it involves—than to confine ourselves to the relatively short discussion during the time when the bill was formally before us.

I am sorry to have taken up some time on this subject, but I feel very keenly about it. It is my conviction that the Senate could render a great service to themselves, to the government and parliament, and to the people of this country by working out some machinery which would be more applicable to the situation as it develops from year to year.

Hon. Mr. Haig: Honourable senators, I thank the leader of the government for his suggestion. I do not wish to be understood as throwing cold water on the idea, but I see some difficulty in putting it into effect. During the war period a great deal of legislation was referred to committees and discussed before it came to this house. One of the drawbacks of the Senate as far as public opinion is concerned is that there is very little debate in this chamber; almost everything is sent to committee. I state candidly, without any feeling of conceit, that ours are the best committees in parliament. They give better and more careful consideration than any others to the legislation which goes to them, and their attitude is non-political. But so far as helping to guide public opinion is concerned, our committees do not do anything. We have in our committees high-class lawyers, as well as some "buck-saw" lawyers who have not taken any law course but whose contributions are useful and valuable—let there be no misunderstanding on that point—but the public gets no reports of their activities.

As to a possible remedy, we can do anything we like to do. If we want to amend our rules, all that is necessary is to pass the appropriate resolution, and make it wide enough to permit a real budget debate. After the debate had been concluded the legislation could be referred to the appropriate committee. For instance, legislation affecting the Canadian National Railways and kindred organizations could be referred to the Standing Committee on Transport and Communications.

Not being a trader, I never had much occasion to discuss the subject of trade, but after I had said a few words on it on one occasion, the honourable senator from Southern New Brunswick (Hon. Mr. McLean) started to think about the facts involved, and he made a good speech. Almost every time a senator speaks in this chamber he provokes a speech by somebody else. Even the honourable senator from Churchill (Hon. Mr. Crerar)—

Hon. Mr. Euler: Even!

Some Hon. Senators: Oh, Oh.

Hon. Mr. Haig: —starts thinking when I get up to talk, and finally he says something himself. The same thing is true of the honourable senator from Vancouver Centre (Right Hon. Mr. Mackenzie). Whenever I get up to speak his Scotch blood starts to boil and he wants to add a few remarks.

I entirely agree with the leader of the government that we should have greater opportunity for the discussion of our country's problems. Let us follow the Anglo-Saxon way and form a committee of nine or ten senators to formulate a plan to encourage more discussion in this chamber.

Hon. Mr. Euler: Why not refer more of our legislation to Committee of the Whole?

Hon. Mr. Haig: That could be done. I have no fixed ideas; I am merely trying to be helpful. I say with confidence that the brains in this chamber are as good as can be found in any parliamentary body in the British Empire; but we never have an opportunity to use them in the proper way. Once in a while we hear a good address, such as was delivered a few days ago by the honourable senator from Sorel (Hon. Mr. David). We should have more speeches of that calibre. I do not believe that we should be a political counterpart of the House of Commons, because that will never get us anywhere. We have a responsibility to our country, but we are unable to discharge our duties fully because we are not given the proper opportunity to do so. The opinions of honourable senators can only gain public attention through what is said in this chamber. Members can talk as much as they like in committee, but their words will never go beyond the walls of the committee room. Perhaps I should not say what I am thinking, but I feel that too many lawyers take part in committee discussions.

Some Hon. Senators: Hear, hear.

Hon. Mr. Haig: I am sure every honourable senator joins wholeheartedly with the leader of the government in his desire to work out some program whereby we can give more time to the consideration of the problems of our country. We should not have to wait until the Gentleman Usher of the Black Rod is about to come through the front door before we can discuss important legislation.

Right Hon. Ian A. Mackenzie: Honourable senators, it is most refreshing to hear the words of the honourable leader of the opposition (Hon. Mr. Haig). When I entered this chamber I found myself on the edge of a tide of unpopularity because I suggested the very things my honourable friend is now suggesting. I want to thank the leader of the government (Hon. Mr. Robertson) for what he has said. But, honourable senators, what has caused the delay in important legislation coming to us? Let us look at the facts. Five votes of non-confidence have been moved during the present session by Tories, neo-Tories and others in the House of Commons. The action taken by my honourable friend's (Hon. Mr. Haig) friends in the other house has resulted in the delay of important legislation.

Hon. Mr. Aseltine: No.

Right Hon. Mr. Mackenzie: That is true, but my friends were defeated in the other house just as they will be when public opinion is tested within the next few months.

Hon. Mr. Aseltine: The honourable senator is out of order.

The Hon. the Speaker: This whole discussion is out of order.

Right Hon. Mr. Mackenzie: I am speaking about waste of time, a point raised by the honourable leader of the opposition (Hon. Mr. Haig). I am sure every member of this house will be only too happy to co-operate in the organization of a committee to carry out the suggestion made by the leader of the government. In 1946 the late Senator Gerry McGeer offered to this house the same suggestion that the honourable leader has made here this afternoon. It is a proposal that is full of common sense.

Honourable senators, since Confederation the Senate of Canada has never done so much up-to-date work as it has accomplished under the present leader of the government during the past two years.

Some Hon. Senators: Hear, hear.

Hon. Thomas Vien: Honourable senators, I must apologize for rising to speak, because I know that in doing so I am out of order; but my predecessors in this discussion were also out of order. When I first came to the Senate I was told by His Honour the Speaker, who was then the leader of the government, that the rules of this house were not as strictly enforced as are those of the other place. Perhaps, therefore, I may secure the consent of honourable senators to say a few words about the important point raised by the leader.

Honourable senators, there is nothing to prevent us from doing exactly what has been suggested. There is only one provision under the B.N.A. Act determining that a money bill—and the budget is the greatest money bill brought down during a session—should originate in the House of Commons. Section 53 of the B.N.A. Act reads:

> Bills for appropriating any part of the public revenue, or for imposing any tax or impost, shall originate in the House of Commons.

When the government leader is placing the estimates on the table there is nothing in our rules to prevent him from moving that they be referred to the Committee of the Whole, or to any special or standing committee. I agree with the honourable leader of the opposition that we are not making full use of the machinery provided for under our rules. If certain legislation were referred to the Committee of the Whole, all honourable members would be able to participate in the debate, and the general public would have a better idea of the interest that is being taken by honourable senators in the legislation that comes before them.

There is another thing that we should not overlook. The Senate is often a target for accusations, and now we are hearing reference to the criticism that the Senate is not paying sufficient attention to the expenditure of public money. Well, the same criticism has for long been made of another place. I first entered the other house of parliament in 1917, thirty-two years ago, and I do not recall any session when some honourable member of that place did not complain that consideration of the estimates was delayed too long. The estimates are considered there in Committee of the Whole, but the time of the house is taken up with so many other matters that large sums inevitably have to be voted in the last few days before prorogation. I do not believe it is possible to devise any machinery to overcome that condition there; but in the Senate, where we are not so pressed for time, estimates could be considered in the Committee of the Whole as soon as they are tabled. If we preferred, we could of course refer them to a special committee, and this would be particularly desirable when witnesses are to be heard.

Hon. Mr. Euler: May I ask my honourable friend why he says that? If the Senate has authority to do whatever it pleases, within the confines of the British North America Act, why should we not permit deputy ministers and other departmental representatives to come here and answer questions in Committee of the Whole, just as they do in any other committee?

Hon. Mr. Vien: I do not see any fundamental objection to it, but it would be contrary to regular parliamentary practice in both England and Canada.

Hon. Mr. Euler: That does not matter.

Hon. Mr. Vien: As honourable members know, in another place no one but the minister or his assistant answers questions concerning the department whose estimates are under consideration at the time. Technical advisors may sit near the minister for consultation purposes, but they have no right to speak during a sitting of the house or Committee of the Whole. If it is desired to question departmental officers on any matter, there must be a reference to the standing or special committee before which they may be called as witnesses. However, as I say, I see no fundamental objection to our making an arrangement whereby departmental officers may be permitted to answer questions in Committee of the Whole.

Interim supply bills have been presented to parliament from time immemorial. At the end of each fiscal year it becomes necessary to provide for the requirements of the state for a short period. The passage of such interim supply does not curtail the right of discussion when the budget comes up for study in detail.

There are many reasons to justify the practice followed. During this session the other place has had to consider the very important question of the admission of Newfoundland and the equally important Atlantic Pact, both of which required a great deal of time. I say, therefore, that there is nothing extraordinary about the manner in which the Supply Bill has been considered and passed in this house today.

The fact that this country has fared so well since confederation indicates that our practice cannot be as bad as some would suggest.

Hon. Mr. Nicol: Mr. Speaker, like my leader and the leader opposite, I am out of order in speaking at this time. But before the discussion is concluded I wish to say that I disagree with the remarks of both leaders in this house. From what has been said, I gather that they wish to convert the Senate into a debating society. I do not believe that this would be in the best interest of anyone. A large portion of the work of this house is done in our committees, which are the proper places to do it. I am sure no one will charge that the committees are not efficient. Then why should the suggestion be made that this house be turned into a Committee of the Whole, where we would lose valuable time debating matters which could be more carefully considered in other committees.

Honourable senators are not seeking to further their own interests; to make themselves known, or to bring their names before the public of Canada. Our only concern is to give the people of this country good laws and sound administration. In no other place can the business of this house be more efficiently discussed than in our committees.

Some Hon. Senators: Hear, hear.

Hon. Arthur W. Roebuck: Honourable senators, I would agree with my friend the honourable leader of the government that a measure of this kind should be considered and discussed in committee rather than on the floor of the house. The real virtue in the plan he advocates is that it would benefit the public and give better administration of our finances.

When I first went to the House of Commons I was appalled to find that the finances of this country are managed almost entirely by civil servants. The estimates are prepared behind closed doors, fortunately by fully-informed men of high purpose. The estimates then go unrevised to the minister, who usually knows very little about the subject of finance; finally, he introduces his legislation on the floor of the house, and has a couple of civil servants sitting in front of him to supply the answers to questions that may be asked. In all my experience I cannot recall a single instance of the House of Commons refusing to pass an estimate. When the civil servants get the approval of the minister, the estimates are submitted and parliament acts as a rubber stamp in approving them.

Year after year a great deal of uninformed talk on finances takes place in the Commons. No county council would vote its money in the way that parliament votes federal expenditures of millions of dollars. I have often expressed the thought that Canada should have committees similar to the appropriation committees of the Congress of the United States, whose members study the estimates rather than make speeches.

The suggestion of the honourable leader which appealed most favourably to me was that we in the Senate might meet a need for study which is not being met in the House of Commons. For instance, the various items in the estimates could be referred to committees of the Senate, which would call before them civil servants responsible for the preparation of the estimates, and ask them to justify their recommendations. As an example, the head of a department who last year received $1,000 for a certain expenditure and this year requests $2,000 would be asked to explain and justify the increase. The estimates could thus be dealt with item by

item. This is a function which should be performed by a small committee, seated around a table in discussion with those who have the knowledge and are especially interested in the subject. I believe that such a practice would do away with the long, uninformed debates which occur in the House of Commons, usually displaying complete ignorance of the subject and often dealing with points entirely disconnected with the item in question.

Hon. Mr. Beaubien: May I ask my friend a question? Suppose the estimates were referred to such a committee where civil servants were present to supply the necessary information, and that the committee decided that a certain amount requested was entirely out of reason, where would the matter go then?

Hon. Mr. Roebuck: The committee would so recommend.

Hon. Mr. Beaubien: To whom?

Hon. Mr. Roebuck: To this House. Finally, when the estimates were formally and legally before it the house would resolve itself into a Committee of the Whole.

The point I was about to make was that if we referred the estimates to standing committees and gained complete knowledge of the facts, then the debate which followed would be informed and of some value. Should we find estimates that were improper, we could refuse to pass them, or in the interval between our finding of the facts and the debate on the floor of this house, the minister concerned could be advised that we disagreed with certain requests and asked for a revision. The point is that were we to have a debate in Committee of the Whole without previously securing the information to be gained in small standing committees, we would be duplicating the farce which goes on in the House of Commons at the present time.

I am not opposed to the practice of discussing measures in Committee of the Whole, but I believe that a more useful purpose would be served if we preceded such discussion by a study of the estimates in standing committees.

In reply to the remarks of the leader opposite, I may say that it does not matter much whether the newspapers give publicity to the proceedings of the Senate or comment on some senator's speech—though much of that is done—because we can be assured, I believe, that the people of Canada know fairly well what the members of this chamber are doing.

Hon. Mr. Haig: No, they do not.

Hon. Mr. Roebuck: I think they do, in a general way. They know it fairly well; and anyway, I have faith to believe that if we give the service we do not need to care very much about the advertising. What we do will become known, and if we deserve credit we shall get it.

I compliment the leader of the government on bringing forward this matter, because I see in it the possibilities of a great public service.

The Hon. the Speaker: I do not want to interfere with any general desire to break the rules, but this debate could very well have taken place on the third reading of the Supply Bill. I do not see that it is applicable to the measure before us.

The motion is for the third reading of the bill. Is it your pleasure to concur in the motion?

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

LIVESTOCK PEDIGREE BILL

REPORT OF COMMITTEE

Hon. Mr. Crerar presented the report of the Standing Committee on Natural Resources on Bill P-2, an Act respecting the Incorporation of Pure-bred Live Stock Record Associations.

He said: Honourable senators, the committee have, in obedience to the order of reference of March 22, 1949, examined the said bill, and now beg leave to report the same without any amendment.

THIRD READING

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

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

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

THE NORTH ATLANTIC PACT

APPROVAL OF PRINCIPLE

Hon. Wishart McL. Robertson moved that it be resolved:

1. That this house declares anew its support of the United Nations as the world organization established to maintain international peace and security and to promote the economic and social advancement of all peoples, and reaffirms its faith in the principles and purposes of the Charter of the United Nations.

2. That this house recognizes that the conclusion, among states of the North Atlantic area, of a treaty within the meaning of Article 51 of the Charter is, in present circumstances, of vital importance for the protection of Canada, the preservation of peace, and the development of political, social and economic co-operation among North Atlantic democracies.

3. That this house agrees that Canada should be represented at this conference, and that the representatives of Canada at the conference should use their best endeavour to assist in the completion of an acceptable treaty based on the proposed text as tabled on March 18.

4. That any such treaty should, before ratification, be submitted to the Houses of Parliament for approval.

He said: Honourable senators, I cannot today express the same hope for world co-operation that was proclaimed to you in this house on almost the same day in 1945. We were then approving the appointment of delegates to the San Francisco Conference. This appointment was made at the invitation of the United Kingdom, United States, China and the Union of Soviet Republics. Fifty nations were represented at that conference, and they all joined in forming the charter of the United Nations. That charter was ratified by each of the fifty nations in the most binding constitutional procedure in each of their respective countries.

The first General Assembly of the United Nations met in 1946. The avowed purposes of its charter were to remove the scourge of war from the world, guarantee fundamental freedoms and inaugurate a new era of world co-operation. The charter had weaknesses. Many of us observed that, but we refrained from exaggerating them in the hope that the underlying spirit of the charter could remove them in the face of actual problems. These weaknesses could only be called to the council table by reason of a breach of faith. They were called to the council table. At first we treated the breaches as if they were minor procedural points and, although with many misgivings, we continued to look to the main principles of the charter.

As had been all too evident in the beginning, the small subsections and exemptions in the charter were treated as its main principles. No person was more reluctant in pointing this out than our present Prime Minister. His diplomatic utterances at the sessions of the United Nations could offend no one, but he made it crystal clear that he did not believe the Assembly was working as it should, and he clearly pointed out the alternative. In September of 1947 the Right Honourable Mr. St. Laurent said:

> Nations in their search for peace and co-operation, will not and cannot accept indefinitely an unaltered council which was set up to ensure their security, and which, so many feel, has become frozen in futility and divided by dissension. If forced, they may seek greater safety in an association of democratic and peace-loving states willing to accept more specific international obligations in return for a greater measure of national security. Such associations, it has already been pointed out, if consistent with the principles and purposes of the charter, can be formed within the United Nations. It is to be hoped that such a development will not be necessary. If it is unnecessary, it will be most undesirable. If, however, it is made necessary, it will have to take place.

The continuation of this flaunting of the principles of the United Nations, accompanied by refusals to bring these offences before the council, caused grave concern to Western Europe. The Soviet intended to spread communism, not in spite of the United Nations, but by using it as a shield.

On January 22, 1948, Mr. Bevin said that this Soviet program of hostility and obstructionism indicated that the time had come for close political and economic union of the States of Western Europe. Pushed on by the continued seizures of countries and pressure blocs from Moscow, the Western States of Europe, with despatch and unanimity, entered into the treaty of Brussels on March 17, 1948.

At the time the treaty was signed, the President of the United States voiced his full support of it, and this parliament joined in the plaudits that were extended to the signatories. The United States pledged help to this union, but Canada was the first to envisage a similar union of all those countries that are the bulwark of democratic freedom in the areas bordering on the North Atlantic. Speaking on June 11, 1948, the Right Honourable Mr. St. Laurent said:

> The best guarantee of peace today is the creation and preservation by the nations of the free world, under the leadership of Great Britain, the United States and France, of an overwhelming preponderance of force over any adversary or possible combination of adversaries. This force must not be only military; it must be economic; it must be moral.

On the same day that the Prime Minister made this statement, the Senate of the United States was considering a resolution put forward by Senator Vandenberg. It contained six objectives of United States foreign policy. Three of these objectives related to the proposals that were later adopted in the Atlantic Pact.

At the beginning of my remarks I said I could not now express the same hope for world co-operation that would have been possible on almost this very day in 1945. But on July 6 of 1948 a new hope of co-operation was born. Although it was not worldwide in its concept, it offered assurance that the principles of the United Nations could be applied in those areas that shared that hope. On that date representatives of Belgium, Canada, France, The Netherlands, the United Kingdom and the United States met in Washington. At this and subsequent meetings, these countries, joined later by Norway, framed the pact that has been tabled in this house. I can say to you today, without fear that my words shall contradict the feelings of my heart, that the basis of this treaty is not its wording or the constitutional means by which each nation adopts it, but rather the moral trust that we place in each of its intended signatories. Naturally this treaty will be adopted by proper constitutional means in each country.

This marks the beginning and not the end of each of our obligations. It offers a consolidated plan of action through which we can discharge those obligations for world peace that we already feel are morally ours.

Some Hon. Senators: Hear, hear.

Hon. John T. Haig: Honourable senators, I do not intend to delay the house at any great length. Honourable members will realize that this resolution only precedes the final agreement that will be drafted at Washington next week, and which will be placed before the Canadian Parliament for consolidation.

Hon. Mr. Robertson: And ratification.

Hon. Mr. Haig: And ratification. This is the first time that Canada has entered into an agreement of this kind. I listened attentively to most of the addresses on this resolution in another place, and I think they sounded a note that should be heard. Like the members of the other place, I am wholeheartedly behind this agreement. All but two members in the House of Commons voted for this resolution, and I believe the vote in this house will be unanimous. This is as it should be. At the same time attention should be drawn to what is actually being done. By this act, Canada is signing a military agreement with the United States, five European countries and any other country that may join later. Whether we like to call it a military agreement or not, this is what it amounts to. I do not wish to say anything that will lend strength to any feeling of opposition that may exist in the United States, especially in the Senate of that country, but I think it should be fully realized that the moment we ratify this treaty we have signed a military alliance to be used in case of an emergency. I do not think there is any doubt about that. I am not opposed to the signing of the treaty, but I claim that we as Canadians ought to recognize the obligation that will be ours.

Honourable senators, I had the great honour and pleasure of attending the United Nations Organization. I went with high hopes but returned dispirited. I came away feeling that one nation and its satellites were determined to use the United Nations Organization as a propaganda agency to preach their doctrine all over the world, and, failing that, to wreck any body that might be organized for the purpose of maintaining world peace.

Canadians will never forget the sacrifices that her men and women made in the First and Second World Wars, nor will they forget how, with utmost abandon, she threw her capital and resources into the fight to preserve world freedom. I may be wrong, but I believe there would not have been a Second World War had the United States been a member of the League of Nations after the First World War.

Some Hon. Senators: Hear, hear.

Hon. Mr. Haig: In saying that, I am not criticizing the United States. Perhaps her policy was right.

Honourable senators, when this resolution was being discussed in the other place many speakers indicated that the present world unrest is not a struggle between nations, but a struggle between ideologies; one side believing in the dignity and importance of man, and the other believing in the dignity and importance of the state. This last doctrine is contrary to all our democratic ideals. It is opposed to our belief in freedom of religion and our belief in Christianity. The peoples of the western world are being challenged by the peoples of another part of the world.

If, in private life, you have a family, you try to teach them the principles that will enable them to live the happiest and most satisfying life when they reach manhood and womanhood. What is important is, not that they should learn how to acquire wealth or other material possessions, but that they should realize the value of the good life for themselves and their families.

We of the western world believe in our present form of civilization, and when, as happened recently in France and in Italy, men declare that in the event of war they would give the Russian army a welcome to their country, we are shocked. We cannot understand that attitude. We think that any person whose liking for Russia is as strong as that should go and live in that country.

Some Hon. Senators: Hear, hear.

Hon. Mr. Haig: I do not say that in an offensive way at all, but it seems to me that if I were convinced that the Russian system of government was the best, I ought to go to Russia to live. If I did not like life in Winnipeg, for instance,—

Hon. Mr. Howard: You would move to Sherbrooke.

Hon. Mr. Haig: Well, I might move to Sherbrooke, but hardly to Montreal or Toronto.

I think the pact offers the best means of meeting present difficulties. I am glad that it is brought under the operation of the United Nations.

Hon. Mr. Hugessen: Hear, hear.

Hon. Mr. Haig: The United Nations Organization acts as a safety valve by providing a forum where men can say things that ought to be said in the interest of world welfare. The United States is a very important member of this organization, and no other nation knows the United States as well as Canada does. Therefore our responsibility within the organization is very great. I recall the occasion in 1946 when the right honourable gentleman who is now Prime Minister delivered before the Council of the United Nations the address to which my honourable

friend referred. On the preceding day we members of the Canadian committee had discussed the matter, and when the address was given we were proud that Canada had men capable of framing such a policy and of presenting it so ably to the world. We felt that the representatives of all other countries would realize that we had no selfish interests, and that we were advocating only what we considered to be for the good of all.

I am going to vote for this motion. I want our fellow Canadians to know that we are committing them to the principles underlying the United Nations Charter, the principles for which this country stands, and which in essence are freedom and world peace. If peace cannot be preserved by this agreement it cannot be preserved at all. That is the solid truth. We know what the situation is now. I am quite frank to admit that the war of 1914 came as a surprise to me. Perhaps I was what was known as a Victorian, for in those days I did not think there would be a war at all. But nobody was surprised when war broke out in 1939. Germany had erected a tariff against the importation of our wheat, because she wanted to encourage home production of wheat so that her people would not be starved out as they were in 1918. That was a clear indication that she was preparing for war. And regardless of what Russia may say, there is no use denying that she is getting ready for war. She might not go to war. She will not go to war if she knows that the nations opposed to her are able to stop her. That is why I am so strongly in favour of this pact. It is the one ground for hope of peace in the world, the one ground for hope that our grandchildren will not have to go through the kind of thing that we and our children went through from 1939 to 1945. I am wholeheartedly in favour of this agreement, as I trust that our people in all parts of the country will be.

Hon. Mr. Hugessen moved the adjournment of the debate.

The motion was agreed to.

BUSINESS OF THE SENATE

On Routine Proceedings:

Hon. Mr. Robertson: Honourable senators, I have been advised that in another place it is not intended to proceed with the motion for the approval of the General Agreement on Tariffs and Trade and the motion for approval of the convention of the World Meteorological Organization until after the Easter recess. While of course that need have no effect upon what we do here, I would prefer not to proceed with these motions until after they have been taken up in the other house.

Hon. Mr. Haig: Hear, hear.

THE ROYAL ASSENT

The Hon. the Speaker informed the Senate that he had received a communication from the Assistant Secretary to the Governor General, acquainting him that the Right Honourable Thibaudeau Rinfret, Chief Justice of Canada, acting as Deputy of His Excellency the Governor General, would proceed to the Senate chamber this day at 5.45 p.m., for the purpose of giving the Royal Assent to certain bills.

PERSONAL CORPORATIONS TAX

INQUIRY

On the orders of the day:

Hon. Mr. Aseltine: Honourable senators, I would like to direct the attention of the leader of the government (Hon. Mr. Robertson) to a question which I asked when speaking in the debate on the Address in reply to the Speech from the Throne two weeks ago today. I stated that when the new Income Tax Act was passed last session the law with regard to taxation of personal corporations was completely changed. Many of us did not discover the change until later on. We had asked officials whether there was a change and were assured that there was not.

Hon. Mr. Howard: That is right.

Hon. Mr. Aseltine: Towards the end of the year, however, many people had practically to wind up personal corporations in order to avoid heavy taxation. At that time the Minister of Finance announced that there had been no deliberate intention to change the law, and that he would recommend the bringing in of an amendment to rectify the matter at the next session of parliament. The question I asked two weeks ago was whether such an amendment would be brought down this session. As I pointed out, I did not want the matter to be forgotten.

Hon. Mr. Robertson: I must apologize to the honourable deputy leader of the opposition.

Hon. Mr. Aseltine: I believe my honourable friend was absent from the house when I referred to the matter.

Hon. Mr. Robertson: I do not recall that it was brought to my attention. I would suggest that when an honourable member has any particular matter on which he requires information he would do well to state his inquiry in a memorandum, with a brief explanation, which can be passed on to the minister or department concerned.

Hon. Mr. Aseltine: I referred to this question in my speech, but I shall be glad to give my honourable friend a memorandum.

DIVORCE BILLS

FIRST READINGS

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

Bill I-6, an Act for the relief of Robert William Goudie.

Bill J-6, an Act for the relief of Nancy Catherine Harrison Moore.

Bill K-6, an Act for the relief of Claire Wiseman Grynberg.

Bill L-6, an Act for the relief of Clare Breitman Elias.

Bill M-6, an Act for the relief of Lillian Florence Katherine Kaye Kulik.

Bill N-6, an Act for the relief of Freda Siminovitch Mosessohn.

Bill O-6, an Act for the relief of Agathe Groulx Grenier.

Bill P-6, an Act for the relief of Pamela Mabel Mackrory Cameron.

Bill Q-6, an Act for the relief of Muriel Fishman Schmelz.

Bill R-6, an Act for the relief of Virgile Zenor Joseph Poncelet.

Bill S-6, an Act for the relief of Mary Besner Bray.

Bill T-6, an Act for the relief of Philip Wanton Engs.

Bill U-6, an Act for the relief of Blanche Marie Yvonne Boissonneau Dunlop.

Bill V-6, an Act for the relief of Najla Tabah Ayoup.

Bill W-6, an Act for the relief of Betsy Bruce Anderson Furlong.

Bill X-6, an Act for the relief of Doris Mary Marjorie Evans Champagne.

Bill Y-6, an Act for the relief of David Anderson Guthrie.

Bill Z-6, an Act for the relief of Freida Stubina Lobe.

Bill A-7, an Act for the relief of Mary Bridget Ellen Conway Demers.

Bill B-7, an Act for the relief of Alexandrine Gauthier Boisvert.

Bill C-7, an Act for the relief of Mary Grant Macintosh Dobell.

Bill D-7, an Act for the relief of Marie Louise Irene Bouchard Magill.

Bill E-7, an Act for the relief of Thelma Jennie Alvera Brownlee Leslie.

Bill F-7, an Act for the relief of Elsie Roberta McCutcheon Cornish.

Bill G-7, an Act for the relief of Vera Maude Rimmer Gasper.

Bill H-7, an Act for the relief of Veronica Kazantseff Darrell.

The bills were read the first time.

SECOND READINGS

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

Hon. Mr. Aseltine: With leave of the Senate, I move the second reading now.

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

The Senate adjourned during pleasure.

THE ROYAL ASSENT

The Right Honourable Thibaudeau Rinfret, Chief Justice of Canada, acting as Deputy of His Excellency the Governor General, having come and being seated at the foot of the Throne, and the House of Commons having been summoned and being come with their Speaker, the Right Honourable the Deputy of His Excellency the Governor General was pleased to give the Royal Assent to the following bills:

An Act to amend the Cheese and Cheese Factory Improvement Act.

An Act respecting the appointment of Auditors for National Railways.

An Act to amend the Game Export Act.

An Act to repeal the Cullers Act.

An Act to amend the Mail Contracts Supplemental Payments Act.

An Act to amend the Agricultural Products Act.

An Act for granting to His Majesty certain sums of money for the public service of the financial year ending the 31st March, 1950.

The House of Commons withdrew.

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

The sitting of the Senate resumed.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Thursday, March 31, 1949

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

Prayers and routine proceedings.

PRIVATE BILL

FIRST READING

Hon. Mr. Howard presented Bill I-7, an Act to incorporate the National Spiritual Assembly of the Bahá'ís of Canada.

The bill was read the first time.

TARIFFS AND TRADE

INQUIRY

Hon. Mr. Robertson: Honourable senators, in response to an inquiry of March 22, made by the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) with respect to the General Agreement on Tariffs and Trade, I am tabling an order in council passed under the authority of section 43 of the Customs Act, as enacted by section 4 of chapter 2 of the Statutes of 1930 (second session), as amended. This order in council authorizes the Minister of National Revenue to fix the value for duty of knitted wool gloves and mitts, not entitled to entry under the British preferential tariff. I am tabling also the minister's fixation of value for duty made under this order in council.

My honourable friend from Toronto-Trinity also asked if there were any other price-fixings for tariff purposes. At the present time there is just one other fixation of value in force. It affects the value for duty of onions, n.o.p.—not otherwise provided for. This, however, will cease to be effective on April 1, 1949.

I have handed to the honourable senator from Toronto-Trinity a copy of these documents.

Hon. Mr. Roebuck: Honourable senators, I thank the leader of the government (Hon. Mr. Robertson) for this information. I understand that Order No. 1, deals with the general agreement, and will stand until after the recess.

The information acquired is to be used in the debate on tariffs and trade when that subject comes before us.

DIVORCE BILLS

THIRD READINGS

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

Bill I-6, an Act for the relief of Robert William Goudie.

Bill J-6, an Act for the relief of Nancy Catherine Harrison Moore.

Bill K-6, an Act for the relief of Claire Wiseman Grynberg.

Bill L-6, an Act for the relief of Clare Breitman Elias.

Bill M-6, an Act for the relief of Lillian Florence Katherine Kaye Kulik.

Bill N-6, an Act for the relief of Freda Siminovitch Mosessohn.

Bill O-6, an Act for the relief of Agathe Groulx Grenier.

Bill P-6, an Act for the relief of Pamela Mabel Mackrory Cameron.

Bill Q-6, an Act for the relief of Muriel Fishman Schmelz.

Bill R-6, an Act for the relief of Virgile Zenor Joseph Poncelet.

Bill S-6, an Act for the relief of Mary Besner Bray.

Bill T-6, an Act for the relief of Philip Wanton Engs.

Bill U-6, an Act for the relief of Blanche Marie Yvonne Boissonneau Dunlop.

Bill V-6, an Act for the relief of Najla Tabah Ayoup.

Bill W-6, an Act for the relief of Betsy Bruce Anderson Furlong.

Bill X-6, an Act for the relief of Doris Mary Marjorie Evans Champagne.

Bill Y-6, an Act for the relief of David Anderson Guthrie.

Bill Z-6, an Act for the relief of Freida Stubina Lobe.

Bill A-7, an Act for the relief of Mary Bridget Ellen Conway Demers.

Bill B-7, an Act for the relief of Alexanderine Gauthier Boisvert.

Bill C-7, an Act for the relief of Mary Grant Macintosh Dobell.

Bill D-7, an Act for the relief of Marie Louise Irene Bouchard Magill.

Bill E-7, an Act for the relief of Thelma Jennie Alvera Brownlee Leslie.

Bill F-7, an Act for the relief of Elsie Roberta McCutcheon Cornish.

Bill G-7, an Act for the relief of Vera Maude Rimmer Gasper.

Bill H-7, an Act for the relief of Veronica Kazantseff Darrell.

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

NORTH ATLANTIC PACT

APPROVAL OF PRINCIPLE

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. Robertson that it be resolved:

1. That this house declares anew its support of the United Nations as the world organization established to maintain international peace and security and to

promote the economic and social advancement of all peoples, and reaffirms its faith in the principles and purposes of the Charter of the United Nations.

2. That this house recognizes that the conclusion, among states of the North Atlantic area, of a treaty within the meaning of Article 51 of the Charter is, in present circumstances, of vital importance for the protection of Canada, the preservation of peace, and the development of political, social and economic co-operation among North Atlantic democracies.

3. That this house agrees that Canada should be represented at this conference, and that the representatives of Canada at the conference should use their best endeavour to assist in the completion of an acceptable treaty based on the proposed text as tabled on March 18.

4. That any such treaty should, before ratification, be submitted to the Houses of Parliament for approval.

Hon. A. K. Hugessen: Honourable senators, I doubt whether any member of this Senate will feel disposed to vote against the resolution which we now have to consider, particularly after hearing the explanation of it and the eloquent speeches made about it yesterday afternoon by the leader of the government (Hon. Mr. Robertson) and the leader of the opposition (Hon. Mr. Haig). I think that we, in common with the vast majority of the people of this country, welcome the North Atlantic Pact and are proud that Canada should be asked to become a party to it. I agree entirely with the leader of the opposition when he says that we should realize fully what we are doing and the responsibilities that we are undertaking by becoming parties to this pact. I think it is true to say that we are entering into this agreement not lightly, not flippantly, but with our eyes open to the serious nature of the obligations which we shall undertake, and to their implications in respect of possible action which may devolve upon this country in the future. I think it is also true to say that the overwhelming majority of our people are willing to accept the obligations which this pact will entail, and that as a country we are willing to do our share to carry out those obligations fully and faithfully.

Having said that, let me add this one thought. It is not a pleasant thing that we are doing, nor is it altogether an easy thing.

Hon. Mr. Haig: Hear, hear.

Hon. Mr. Hugessen: But it is a thing which we must do, because, as the leader of the opposition said yesterday afternoon, we want to preserve for ourselves and for our children those basic things in which we believe—the dignity of the human individual, personal freedom, and the democratic way of life based upon the teachings of the Christian religion—without which, in fact, life for us would not be worth while. So I say that we should become parties to this pact in solemn mood, without the blare of trumpets, without public processions or the lighting of bonfires, but with the feeling that, as the world stands today, it is our duty to do so. It is our duty, not only to the other nations which will be parties to this pact, but to ourselves. We cannot do otherwise.

Now, honourable senators, it is not my intention in the few minutes during which I wish to detain the house this afternoon to trace the history of the last few years or to discuss in detail the international developments which have brought us step by inevitable step to the point at which we stand today. That history was related to us by my honourable leader (Hon. Mr. Robertson) in his speech yesterday afternoon. I think it is enough to say that when the world war came to an end all men of good will believed, or at least hoped, that the victorious allies and their associates, constituting together the great majority of mankind, would be able thereafter to co-operate in peace and friendliness for an indefinite period of time. That hope found its expression in the Charter of the United Nations.

It is sad to think back to those days of four years ago, of the faith we then held and expressed in the United Nations Organization and the great role we expected it to play in leading the nations forward along the path of peaceful co-operation. Today that faith is faint indeed. We all know the reason why. The responsibility lies squarely upon the shoulders of the Soviet Union, which by blow after blow has shattered our belief that the West can co-operate with the East. It is now crystal clear that the present leaders of the Soviet Union will co-operate with nobody, except on terms of absolute and unqualified surrender; terms, in short, which we as free men will not accept.

It is clear, too, that the leaders of Soviet Russia are seeking to impose upon the rest of the world a system of government, and a form of life, which are abhorrent to us. They prate about the glories of revolutionary socialism; they try to hide the kind of world in which they believe under the tattered garments of Karl Marx. Fundamentally, they belong to the medieval age; they are five hundred years behind the times; they would put the clock of human progress back five hundred years, to a time when the vast majority of men were serfs—as indeed are the great majority of men and women in Russia today.

So, the position in which we now find ourselves is this: We are no longer one world, as the late Wendell Willkie predicted, but two worlds, or even perhaps three worlds. On the one side we have the world of Russian serfdom, composed of the Soviet Union and her satellites; on the other side we have the

world of western democracy. And in the middle is a world composed of many millions of men, largely in Asia and Africa, who have not yet been directly exposed to the conflicts between the first two worlds, and who have not yet aligned themselves with the one or the other.

Honourable senators, we live in a dangerous world—dangerous because of the continued attempts of Soviet Russia to subvert and undermine, both from within and without, the democracies of western Europe. Look at the outstanding example of Czechoslovakia, a few months ago. If Russia should succeed in subverting and undermining the democracies of western Europe one by one, be very sure that this continent will be next on the list.

That, basically, is the reason for the pact which we are asked today to approve. It is an agreement between countries, on both sides of the North Atlantic, who believe in democratic freedom, to stand together for their mutual defence against a common danger.

No honest man, reviewing the terms of this proposed treaty, could read into it one single word which implies attack or aggression. It is purely and solely defensive; and as has been pointed out, it is strictly in conformity with article 51 of the United Nations Charter. When I say that no honest man could read a word of aggression into this treaty, I do not include in my definition of an honest man the occasional communist or fellow-traveller on this continent, to whom truth or lies are all the same so long as they serve the party line; nor do I include such addle-headed and frustrated idealists as Mr. Henry Wallace.

This, I say, is solely and entirely a defensive pact. But let us not deceive ourselves. It contains serious, costly, and possibly dangerous obligations, to which the people of Canada will bind themselves when our representatives sign this treaty, as I hope they will, in Washington a few weeks hence. Let me emphasize what I say by reading the first paragraph of Article 5 of the treaty, which I think contains the nub of the whole matter:

> The Parties agree that an armed attack against one or more of them in Europe or North America shall be considered an attack against them all; and consequently they agree that, if such an armed attack occurs, each of them in exercise of the right of individual or collective self-defence recognized by Article 51 of the Charter of the United Nations, will assist the Party or Parties so attacked by taking forthwith, individually and in concert with the other Parties, such action as it deems necessary, including the use of armed force, to restore and maintain the security of the North Atlantic area.

Bluntly, what do these words mean? The European countries which are to be parties to this pact are: Great Britain, France, Italy, Belgium, the Netherlands, Luxembourg, Norway, Denmark, and—as we heard only this morning—Iceland and Portugal. Article 5 means that an armed attack by the Soviet Union against any one of these countries is an attack against Canada, and that we are pledged to resist it. I know that the article leaves it to us to take such action as we may deem necessary in the circumstances, and that it will be for this parliament to decide the nature and extent of that action. But, honourable senators, that does not afford me a very great measure of satisfaction. As conditions are today, when nations go to war you cannot be in a half war or a partial war or a limited-liability war; it is all or nothing.

Hon. Mr. Haig: Hear, hear.

Hon. Mr. Hugessen: If the present so-called cold war should ever become a hot war—which God in His infinite mercy forbid—Canada will be in it up to the hilt.

There are, of course, short of war between nations, circumstances in which Canada might be called upon to take some military or other action under this treaty. Honourable senators will observe that while Articles 3, 5 and 6 refer to "armed attack" against one of the parties to the treaty, those articles are careful not to limit such armed attack to an armed attack from outside the threatened country. Further, Article 4 declares that the parties will consult together "whenever, in the opinion of any of them, the territorial integrity, political independence or security of any of the Parties is threatened."

Let me emphasize the words "political independence". Those words, and the broad sense in which the words "armed attack" are used in Articles 3, 5 and 6, are obviously designed to meet the case of a communist uprising, actual or threatened, within any of the member countries, without any overt intervention from outside. That, let me point out, is a tactic which the communists sometimes use when they see that it offers them a prospect of success. It was a tactic which they used successfully in Czechoslovakia; it is a tactic which they tried to use—so far unsuccessfully—in Greece. More than once they have threatened to employ the same method in Italy, and I believe also in France. So it may well be that under this treaty, when it is signed, Canada will be called upon to help in thwarting, even in putting down, a rebellion in one of the member countries,—a rebellion which, depend upon it, will have been provoked and helped by the Cominform, but with which, officially, the Soviet Union will have no connection whatever. In such

a case, of course, the danger of an international war will always be present, but war itself will not necessarily be the result.

I said a few moments ago, and I now repeat, that in signing this treaty Canada will be undertaking serious and perhaps dangerous obligations. That there may be danger, nobody will be so foolhardy as to deny. But I invite honourable senators to reflect on the alternative, and to consider our position if we refused to sign this treaty or if there were no such treaty as this for us to sign. Would that not involve far greater dangers, and would it not be likely in the long run to bring us to inevitable catastrophe?

Surely we of the western democracies are today in the same position as that which faced Benjamin Franklin and his fellow-members of the Continental Congress just before the signing of the Declaration of Independence, when he used the famous phrase: "We must, indeed, all hang together, or most assuredly we shall all hang separately." I submit that the western democracies must now hang together, and make it abundantly clear to the only possible aggressor that an attack upon one of them is an attack upon all.

We do not need to look very far into the past for an example of the alternative to this policy of hanging together. Surely it was the policy, or rather the lack of policy, with which the democracies faced the menace of Hitler's Germany a short ten years ago. There was no common purpose and no common defence. We know the result. Austria and Czechoslovakia were picked off and destroyed one by one while the other democracies looked on apathetically. Yes: and the apotheosis of democracy in those days was the futile and rather pathetic figure of Mr. Neville Chamberlain with the umbrella, scuttling off to Munich and coming home to mumble meaningless words about "peace in our time". Peace in our time, within a few months of the outbreak of the greatest war that the world has ever seen! It is interesting to speculate whether, had there been an Atlantic Pact in those days, the Second World War would have broken out at all. One may safely say that if it had, it would have started under conditions far more favourable to the democracies than those which in fact faced Britain and France when finally they had to take up arms in defence of Poland.

So I say that while this policy to which Canada commits herself when she signs this treaty is, perhaps, a dangerous policy, it is far less dangerous than the only alternative. The western democracies have learned their lesson; they are going to hang together, and by hanging together they stand a very good chance of averting the perils which face them individually. I sincerely believe that this pact will lessen whatever chances of war there may now be. Think of it, honourable senators! Three hundred million free men, banded together in their own defence, with the resources of the North American continent and of Western Europe at their disposal, are a formidable force; so formidable, indeed, that the prospect of their being attacked seems rather remote, so long as they remain united. For that reason, I welcome this treaty as a step towards ultimate peace.

I may be wrong. No one can tell today what the future will bring forth; but whatever the future may bring I say that as of today, and under the conditions of today, it is as much in the interest of Canada as it is the duty of Canada to become a party to the treaty which we are now invited to consider.

Some Hon. Senators: Hear, hear.

Hon. Mr. Roebuck: May I ask the honourable senator a question? I have listened to his excellent address, and I should like him to elucidate a certain point, if he can. If the Atlantic Pact had been in existence in 1837, would the United States, in Great Britain's interest, have been required to intervene in the rebellion of that year in this country?

Hon. Mr. Moraud: That is a $64 question.

Hon. Mr. Roebuck: It has a real sting. It is not a futile or frivolous question at all.

Hon. Mr. Hugessen: I am sure that the question is by no means a frivolous one, but it is so new to me and so entirely outside the line of thought of most of us that I am quite unable to answer it without reasonable time for reflection.

Hon. Mr. Roebuck: I am somewhat concerned about the obligation placed upon Canada to intervene in the internal troubles of other countries. This is perhaps the danger point in the Pact. There is no question about our concern in the external difficulties of another country, but as to intervening in the internal troubles of another nation, our obligations will be vexatious and difficult to meet.

Hon. L. M. Gouin: Honourable senators, I wish to sincerely congratulate the honourable senator from Inkerman (Hon. Mr. Hugessen) for his illuminating remarks. I hope that his address will receive the wide publicity which it fully deserves, so that our public may realize more completely the consequences of the proposed treaty which we are now discussing. Like the honourable senator who has just spoken, I believe that it is in the interests of Canada, and that it is the duty of Canada, to enter the defensive alliance which is now being formed.

We are now being called upon to sanction the principles of the proposed North Atlantic Treaty. In the other place, except for two members of the Bloc Populaire—and I respect their convictions—the whole opposition joined with the government in approving this treaty. Thus all our various political parties have given to the Atlantic Pact an almost unanimous approval. This is indeed a most encouraging and inspiring example of national unity.

Yes, our elected representatives from eight provinces agreed completely—except for two dissenters from Quebec. One of the dissenters is my personal friend, the leader of the Bloc Populaire, and the other is his follower and my good confrere, Mr. René Hamel. While I do not share the views of these two outstanding nationalists, I recognize that both of them are perfectly sincere, and that they have the courage of their convictions. It is true that their opposition took at first the form of a motion to adjourn, but nevertheless, they did in fact vote against the principle of the Atlantic Pact, and they have been praised for their action by the official of the Nationalist party, *Le Devoir*.

On this point I wish to raise a question of privilege which affects this house as well as the other place. In *Le Devoir* of March 30 some comments were published on the almost unanimous approval which the other house gave to the resolution now before us. The article is entitled "Bloc-Notes," which in English means a memo pad or writing pad, and it is signed by "Andre L." Under this transparent nom-de-plume the brilliant young nationalist chieftain refers to last Monday's debate in the other house in terms that I consider it my duty to lay before this house. In doing so, my first object is to protect our honour, in advance, against similar attacks. My second object is to convince honourable senators that suitable steps should be taken at once to properly inform our Canadian people at large and—in my own province particularly—to dispel the propaganda which certain journalists are already carrying on against the Atlantic Pact.

In his article, under the sub-title *"Courageux"*, Andre L. first states that the vote was almost unanimous. In the next paragraph this very talented young writer adds—and I translate:

> A debate in which almost everybody agrees creates an atmosphere of over-enthusiasm.

The French word is *"emballement"*, and it applies to a runaway horse. As we say in French, *"Prendre le mors aux dents."* I shall repeat the sentence:

> A debate in which almost everybody agrees creates an atmosphere of over-enthusiasm; a state of collective hysteria is sometimes reached.

It is not necessary for me to qualify an expression so degrading as "collective hysteria" when it is applied to the representatives of our Canadian democracy.

I translate again:

> Those who dare stand against the immense majority from all parties seem provisionally to be wrong. This is particularly true on a question where the most diverse and most delirious passions are aroused.

I have every reason to hope that in this house there will be absolutely unanimous approval of the principle of the Atlantic Treaty. I am convinced, honourable senators, that none of us intends to stand idle if, after we give such a vote, we are described as voting under the influence of the "most diverse and most delirious passions".

Some Hon. Senators: Hear, hear.

Hon. Mr. Gouin: But I come now to the most offensive extract from the article which I am discussing. In a paragraph in which Andre L. seeks to praise the two nationalist dissenters, he states:

> Two members had this courage the day before yesterday: Mr. Maxime Raymond, representing Beauharnois-Laprairie, and Mr. René Hamel, representing St. Maurice-Lafleche. It is not of little merit; it consoles us for the cowardice of the others and honour is saved.

Honourable senators, I deeply resent this allegation of cowardice against those who, like myself, favour the defensive alliance of the North Atlantic Pact as a pact for peace.

Some Hon. Senators: Hear, hear.

Hon. Mr. Gouin: My excellent friend the nationalist leader in another place represents a constituency which forms part of my own senatorial district, de Salaberry. I respect him as a perfect gentleman, and I do not contest his right to advocate policies which for a decade I myself have opposed. I do not in any way hold my life-long friend responsible for the article published in *Le Devoir*. I direct my criticism against Andre L., and I consider that I have the right to protest against his assumption that nationalists like himself have a monopoly of courage.

As a senator representing the same section of our Canadian community that is represented by the nationalist leader in another place, I have the right to vote in this house according to the dictates of my conscience. No pressure was ever brought to bear upon me whenever during the last war I supported the policy of the Liberal government, and no pressure is being exerted in the present case. I wish to assure my nationalist friends from my own native province that it is not necessary for my leader to try to influence me. As a Liberal and a true Canadian I am able to think for myself, and once I have

reached a conclusion I act accordingly, whether it pleases the nationalists or not.

I do not pretend to be any kind of a hero, but those who were with me in the air force and in the army know me, and they say that there is no "yellow streak" in me. I do not write as well as Andre L., nor am I as eloquent as he is. I am a plain, blunt man, and in my case deeds, humble though they may be, count more than my speeches or my writings. After all, I served overseas, and I shared some hardships and a few dangers. I do not need lessons of courage from anyone, and I cannot tolerate being branded directly or indirectly as a coward. My record can surely be compared to that of those who believe that isolationism is the only form of patriotism suitable for the consumption of my French-speaking fellow countrymen.

The nationalists may call us again "followers"—*"suiveux"*, in their French slang—but we French-speaking Liberals will continue to follow the path—*suivre le sentier*—shown to us first by Laurier, then by Lapointe and now by St. Laurent.

Those who are now opposing the Atlantic Pact, and who on this issue are opposing our distinguished Prime Minister, Mr. St. Laurent, are the heirs of persons who opposed Laurier and Lapointe, and who always refused to accept the patriotic creed of those great leaders, from whom we learned that the first duty of a true patriot is to provide for the security and defence of his native land and to keep the aggressor away from his shores and his territory. Laurier and Lapointe already belong to our national history. I trust that their broad and really Canadian patriotism is now accepted and professed by the overwhelming majority of my French-speaking fellow countrymen.

Yes, the spiritual legacy of a sincere and effective love for our only motherland, Canada, and the inspiring faith which we have inherited from Laurier and Lapointe—this sacred doctrine, of which our present leader is the living incarnation—we are fully determined to defend courageously and to apply without cowardice and at any cost—*sans couardise et coûte que coûte*. We have not forgotten the teaching of those who are no more with us physically, but whose generous thoughts live for ever deep in our hearts and souls. After having followed them to the grave we are still their followers—*suiveux*, if you wish—and because we follow in the footsteps of our glorious leaders we are anxious to secure for our beloved country without further delay an adequate system of defence against any eventual aggression.

The nationalists know as well as we do that the peace of the world is now at stake, that a threat of tragedy has been hanging over us for months and months. They are as much opposed as we are to atheistic communism, but they do not propose any practical means for resisting and confining the spread of communistic domination.

The very gifted writers of *Le Devoir* appear to believe that force can be resisted by other means than force. For instance, André L. deplores the fact that the Atlantic alliance is an adventure which divides the world into two hostile camps: *Une aventure qui consomme la division de monde en deux camps hostiles*. But can the nationalists deny that countries within the red orbit already form an armed camp with a most powerful army available for any military operation? The Atlantic defensive pact is simply an application of the old maxim of Julius Caesar: If you want peace, be prepared for war. *Le Devoir* expresses the belief that in the past defensive military alliances have failed to prevent wars. Its editors assert that we will go to war because, though we speak of peace, we enter the race for armaments. They pretend not to favour appeasement, which is a capitulation always to be renewed until the triumph of communism, but they denounce the race for armaments as leading to war and to the suicide of mankind. They conclude that there should still be time to get out of the rut of war, and that a more Christian and civilized solution than suicide should be found.

For thirty years—and I know what I am talking about in this respect—the nationalists have criticized and denounced so-called imperialism and militarism, but they have never offered a constructive suggestion for the preservation of peace or the defence of our country. Do they believe that the use of force is wrong, even when resorted to in self-defence? They do not question the good faith of the framers of the Atlantic Pact, but their so-called reservations amount to a destructive criticism of this plan—the only one that we have been able to find—for the preservation of peace through collective security. Countries which have a well-established policy of neutrality, such as Belgium and Portugal, will sign the pact and adhere to its provisions. These peace-loving countries do not believe in automatic war—a favoured expression of the nationalist writers—but they know that pacifism invites aggression. Should one of the twelve states subscribing to this defensive alliance be attacked, under the provisions of the treaty, each of the other eleven states would also consider itself to be the victim of aggression.

United we stand; divided we fall. Such solidarity, for defence purposes only, is the best safeguard which the leaders of our democracies have been able to devise for the protection of our Christian civilization. Our own Prime Minister is a jurist of international repute, and I believe that to him is due the credit for having conceived this defensive pact. As the peaceful leader of the Canadian people, this great French-Canadian statesman and patriot urges us to approve the principle of the Atlantic Treaty. He is supported by the members of all political parties, except two nationalists. On this vital question—a question of life or death for Canada—practically the whole population of Canada will accept with calm and resolute determination the principle of collective security as the best means of preventing war.

We are as anxious as we have ever been to secure a just and fair peace, a Christian peace. But peace is indivisible. It does not depend only on the actions of those who, like ourselves, believe in the divine teachings of Christ. To preserve us from the scourge of war it is not enough for us to pray and to try to convince our opponents of our peaceful intentions. Since 1946 we have continued to pray and to work for peace, but all our appeals for co-operation have been turned down by Moscow. The advance of the communists has been contained in Western Europe, but it continues in China and elsewhere. We can no longer ignore such a threat. Canada is in fact more menaced than any other country. Neither isolationism nor pacifism will enable us to prevent or resist aggression. We must prepare, with our allies, to face any emergency. Together with the other members of our defensive alliance, O Canada, we stand on guard for thee! Our duty is not only to pay lip service to patriotism but, like the patriots of old, to accept willingly any sacrifice required for the defense of this glorious land of ours and for our Christian inheritance.

Some Hon. Senators: Hear, hear.

Some Hon. Senators: Question.

The Hon. the Speaker: Honourable senators, the question is on the motion of Honourable Senator Robertson for approval of the North Atlantic pact.

Hon. Mr. Haig: Mr. Speaker, I call for a standing vote.

The motion was carried unanimously on a standing vote.

NEWFOUNDLAND-CANADA UNION

Hon. Mr. Robertson: As honourable senators know, the new province of Newfoundland becomes part of Canada this evening. Though it is desirable that the new province be greeted with kind words, it is necessary that we provide the wherewithal with which to meet the inevitable responsibilities. Whether or not further supplementary estimates will be available for presentation here tomorrow, I cannot say at the moment. I hope, however, that we shall have a Royal Assent.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Friday, April 1, 1949

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

Prayers and routine proceedings.

PIPE LINES BILL

REPORT OF COMMITTEE

Hon. Mr. Copp presented the report of the Standing Committee on Transport and Communications on Bill Z-3, an Act respecting oil or gas pipe lines.

He said: Honourable senators, the committee have, in obedience to the order of reference of March 28, 1949, examined the said bill, and now beg to report the same with minor amendments.

The amendments were read by the Clerk Assistant, as follows:

1. Page 1, line 15: After "and" insert the word "that".

2. Page 8: Delete heading "Branch Lines" and clause 21. Renumber clauses accordingly.

3. Page 12: Delete clause 38 and substitute therefor the following:—

"38. (1) The Board may make orders or regulations exempting lines or parts of lines, not exceeding in any one case twenty-five miles in length, from any or all of the provisions of this Part relating to location, construction, or operation of lines.

(2) In any order or regulation made under this section the Board may impose such terms and conditions as it considers proper."

The Hon. the Speaker: When shall these amendments be taken into consideration?

Hon. Mr. Robertson: Honourable senators, while the rules require one day's notice of motion for the adoption of amendments made to a bill in committee, I would ask for leave to have this report considered at once. The bill originated in the Senate, and the Standing Committee on Transport and Communications gave it detailed and careful study. The proposed amendments have been concurred in by the Department of Transport, and it is felt they will materially improve the bill.

With leave, I move that the amendments be concurred in.

The motion was agreed to.

THIRD READING

Hon. Mr. Robertson: Honourable senators, with leave, I move that this bill be now read the third time.

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

DIVORCE BILLS

FIRST READINGS

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

Bill J-7, an Act for the relief of Elsie Smith Brothers.

Bill K-7, an Act for the relief of John Howard Clendenning.

Bill L-7, an Act for the relief of Bessie Lillian Lockhart.

Bill M-7, an Act for the relief of May Victoria Gledhill Hossack.

Bill N-7, an Act for the relief of Marshall Frederick Lebeau.

Bill O-7, an Act for the relief of Miriam Sarah Celeste Glass Butler.

Bill P-7, an Act for the relief of Edna Vivian Eulie Hewitt Colclough.

Bill Q-7, an Act for the relief of Gladys Isabelle Brown Farewell.

Bill R-7, an Act for the relief of Gladys Rollins Wilson.

Bill S-7, an Act for the relief of Anna May Tedstone Mose.

Bill T-7, an Act for the relief of Elsie Knight-Huckle Metayer.

Bill U-7, an Act for the relief of Charles Emile Groleau.

Bill V-7, an Act for the relief of Olive Eva LaBeau Carlson.

Bill W-7, an Act for the relief of Julia Catherine Dwane Raymond.

Bill X-7, an Act for the relief of Philip Slutsken.

The bills were read the first time.

SECOND READINGS

Hon. Mr. Haig: Honourable senators, with leave, I move that these bills be now read the second time.

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

THIRD READINGS

Hon. Mr. Haig: With leave of the Senate, I move the third reading of these bills.

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

PRIVATE BILL

FIRST READING

Hon. Mr. Lambert (for Hon. Mr. Hayden) presented bill Y-7, an Act respecting a certain patent application of Walter Oliver Beyer.

The bill was read the first time.

NORTH ATLANTIC PACT

ANSWER TO INQUIRY

On the Orders of the Day:

Hon. A. K. Hugessen: Honourable senators, during yesterday's debate on the North Atlantic Pact my honourable friend from Toronto-Trinity (Hon. Mr. Roebuck) asked of me a hypothetical question which at the time I was unable to answer. His question was to this effect: Had the United States, Great Britain and Canada been members of the Atlantic Pact in 1837, would the United States have been obliged to intervene on behalf of the Canadian government of that day to help quell the rebellion in Upper and Lower Canada?

I am quite sure that what my honourable friend wanted to know was the extent of Canada's obligations under the Atlantic Pact to intervene in the internal affairs of other countries which are signatories of the pact. That, of course, was a question I could not answer on my own responsibility. But since yesterday I have learned that it was answered by a good authority, Mr. Dean Acheson, Secretary of State of the United States, during a press conference in Washington last week. I refer now to the report of that conference, which appears in *Time* Magazine of March 28. It reads:

> Another newsman asked: "Would aggression against a country, by infiltration within the country, be an armed attack?" If it were purely an internal revolutionary activity, said Acheson, that would not be an armed attack. But if it were a revolution inspired, armed and directed from the outside, that would be a different matter. The pact, he said, didn't spell it out and shouldn't—when you come to real situations you ought to be able to have some latitude in deciding them.

Honourable senators will note that Mr. Dean Acheson drew a distinguishing line between internal revolutions, which relate purely to the internal affairs of a country, and internal revolutions which are provoked from outside. To refer back to my honourable friend's example, I think anyone will realize that the revolts which took place in Upper and Lower Canada in 1837 were purely matters of internal politics, and had no connection with anything outside the country. That is the best answer I can give my friend.

Hon. Arthur W. Roebuck: As a matter of personal privilege, I wish to thank the senator from Inkerman for his explanation, and say that he was much too modest in the way he gave his answer today. I think I owe him an apology for asking a hypothetical question, and for failing to phrase it fully. When I put my inquiry to him yesterday I thought his mind would at once jump to the statement which he had already made, namely:

> . . . Articles 3, 5 and 6, are obviously designed to meet the case of a communist uprising, actual or threatened, within any of the member countries, without any overt intervention from outside.
>
> . . . So it may well be that under this treaty, when it is signed, Canada will be called upon to help in thwarting, even in putting down, a rebellion in one of the member countries,—a rebellion which, depend upon it, will have been provoked and helped by the Cominform, but with which, officially, the Soviet Union will have no connection whatever.

I was referring to that statement.

Hon. Mr. Hugessen: I am afraid I was not quick enough on the uptake.

Hon. Mr. Roebuck: May I add one sentence? When I regard the situation today in China, where a revolution said to have been instigated by Russia and about which I know nothing, except that it is an agrarian revolt against serious abuses, is going on; when my mind reverts to the Spanish rebellion, in which Russia played some part, and to other like events; and when I try to project my mind into the future, it seems to me obvious that the one feature of this pact which may cause us real concern in times to come is the tacit implication in the passage about which I have just read—an implication which Mr. Acheson has noted, which I saw in the agreement, and which newspapers generally have discussed. I repeat that it may cause us difficulties and troubles in the years ahead. On the other hand, one must take a certain amount of risk in entering into an agreement of this kind, especially when it is a military agreement, and I voted for this pact because I supposed that in years to come our successors, or maybe we ourselves, will exercise some common sense as to obligations under the treaty to intervene in the internal affairs of other nations.

NEWFOUNDLAND-CANADA UNION

INAUGURAL CEREMONIES

Hon. Mr. Robertson: As honourable senators know, this is the day upon which Newfoundland becomes part of Canada, and it seems to me, that, in view of the very historic and impressive ceremony which took place this morning, it would be both wise and appropriate that a record of those proceedings, including the addresses made both here and in St. John's, should be incorporated in and become part of the records of the Senate of Canada, and that those charged with the responsibility of recording our proceedings should collaborate for this purpose with those who are similarly engaged in the other branch of parliament.

Some Hon. Senators: Hear, hear.

Hon. Mr. Haig: We on this side heartily agree. It will be a record for the future and one which I believe all Canada will read with pride.

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

BUSINESS OF THE SENATE

Hon. Mr. Robertson: Honourable senators, for the benefit of this house may I now refer to the position in which we find ourselves, and our plans as to future activities? There are before the other house two bills, one for interim supply in relation to Newfoundland, and the other for supplementary supply for the year 1948-49, both of which, when passed in the other place, will come here for consideration by us, and in due course will receive the Royal Assent. When these bills have been attended to, either today or early next week, there would seem to be no reason why, in view of the contemplated adjournment of the House of Commons from the 8th to the 25th of April, I should not move that the Senate shall stand adjourned until Monday, May 2, at 8 o'clock in the evening.

I place this suggestion before the house now so that honourable senators may be ready to concur in my motion when I make it. I would remind them that this house has had a very busy period, and as far as possible has completed all the business which has been brought before it. Twelve government bills have been introduced in the Senate, eleven of which have been passed. The remaining piece of government legislation to be disposed of is the Bankruptcy Bill, a voluminous document which is now before the Banking and Commerce Committee. This committee held many public hearings, the last only yesterday, and received representations from many organizations. A subcommittee of this committee has been formed to examine carefully the various representations made to the main committee, and will report back to the main committee as soon as possible after the Easter recess.

In addition to the twelve government bills to which I have referred, the Senate has disposed of eight bills which came to it from the House of Commons. It has also disposed of seven private bills, after hearing representations upon them from all who wished to be heard, and these bills have been forwarded to the other place.

In addition to all this I would point out to honourable senators that the Senate has disposed of 185 divorce bills. Although these bills do not call for much discussion in this chamber, I may say that the Standing Committee on Divorce has examined 545 witnesses.

I have just given a brief outline of the work done by the Senate to date. Those who are mathematically minded will quickly realize that we have dealt with a total of 211 bills in all. There are still two bills to come to us from the House of Commons. The first is the Interim Supply Bill for Newfoundland, and it should receive Royal Assent today. The second bill covers supplementary estimates. Although it is not essential that this bill be passed today, it is desirable that it be disposed of before parliament adjourns for the Easter recess. It is hoped that these bills will come to us from the other place in time to be disposed of before the Senate adjourns today. If only the Interim Supply Bill should receive Royal Assent today, then it will be necessary for the Senate to sit on Monday night.

Honourable senators, in due course I shall move that the Senate adjourn during pleasure to re-assemble at the call of the bell. At the moment I am not in a position to say exactly when the Royal Assent will be given, but it is hoped that it may be at a quarter to six this evening. Later on I shall probably ask honourable senators to re-assemble so that I can report what progress is taking place in the other house. If it should be necessary for the Senate to sit on Monday, I would ask those senators who live in the provinces of Ontario and Quebec to be in attendance at that sitting. I ask them to co-operate in this way so that those who come from greater distances may have an opportunity to make their necessary travelling arrangements.

Hon. John T. Haig: Honourable senators, I entirely agree with what has been said by the honourable leader of the government, and I wish to say just a few words about the Divorce Committee. I think the Parliament of Canada has got to make a decision on the question of divorce.

Some Hon. Senators: Hear, hear.

Hon. Mr. Haig: The only senators who work on the Divorce Committee are those who live at the ends of Canada—the four Western Provinces and the three Eastern Provinces. I do not blame senators from Ontario and Quebec for not wanting to serve on the Divorce Committee—I would not want to do it either if I lived around here—but I really think it is too bad that this should be so.

Although I cannot refer to a debate that I heard the other night in another place, I can still think about it. It was shocking to me that men there should vote to kill legislation which they had allowed this house to deal with. If they do not wish the Parliament of Canada to handle divorce, someone among them should introduce a bill to provide that we shall no longer deal with it. I know that

all with whom I have served on the Divorce Committee over the past ten or twelve years would be delighted if this work were taken out of the hands of the Senate. We do this work because we deem it a service to the public that we must perform. All I want is to have parliament decide one way or the other on this matter. If we are to do this work, which involves considerable expense to the petitioners and much labour by the Divorce Committee, members in the other place should not vote against these bills after the Senate has passed them.

Those of us who serve on the Divorce Committee do not want to do this work. I can understand a person whose religious persuasion is different from mine objecting to having to do it, and I have every respect for his views. However, that leaves the work to be done by the rest of us. I am not objecting to doing it, but I say that the leaders of parliament, if they want us to continue this work, ought to say so; if they do not, they should so inform us. So far this session we have heard the evidence in 185 cases. In order to do this the committee has had to split into two sections and sit four days a week—Monday, Tuesday, Friday and Saturday—commencing at 10.30 in the morning and sometimes continuing well into the afternoon. That in itself is nearly a week's work, to say nothing of all the other sessional duties that we have to attend to.

The Senate adjourned during pleasure.

The sitting was resumed.

THE ROYAL ASSENT

The Hon. the Speaker informed the Senate that he had received a communication from the Assistant Secretary to the Governor General, acquainting him that the Right Honourable Thibaudeau Rinfret, Chief Justice of Canada, acting as Deputy of His Excellency the Governor General, would proceed to the Senate chamber this day at 10.15 p.m., for the purpose of giving the Royal Assent to certain bills.

The Senate adjourned during pleasure.

The sitting was resumed.

APPROPRIATION BILL No. 3

FIRST READING

A message was received from the House of Commons with Bill 189, an Act for granting to His Majesty certain sums of money for the public service of the financial year ending the 31st of March, 1950.

The bill was read the first time.

SECOND READING

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

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

Honourable senators will observe that this is a further request for interim supply, and covers the probable additional requirements consequent upon the entry into confederation of the new province of Newfoundland. The bill takes much the same form as the one relating to interim supply which was presented to the house a few days ago. It asks for one-sixth, or two months' supply, and certain specified additional amounts to cover special immediate requirements which have arisen.

Section 2 of the bill makes provision for the sum of $5,227,302, which represents one-sixth of the amount of the items to be voted for the fiscal year; section 3 provides for amounts of $5,411,631.17, being seven-twelfths of the total figure of $9,277,082 set forth in schedule A. This is an unusually large proportion.

The first item in schedule A is:

To authorize and provide for payment in such amount as may be necessary in respect to those matters supplementary to the Terms of Union of Newfoundland with Canada, specified in paragraph XXIII of the note dated December 11, 1948, of the Prime Minister of Canada to the Chairman of the Newfoundland Delegation, entitled "Statements on questions raised by the Newfoundland Delegation during the negotiations for the Union of Newfoundland with Canada," tabled in the House of Commons on the 27th day of January, 1949.

Honourable senators who have a copy of the report and documents relating to the negotiations for the union of Newfoundland with Canada will observe that paragraph XXIII, "Recoverable Advances" is as follows:

1. Pursuant to the provisions of Term 25 of the Terms of Union the Canadian Government agrees that it will within fifteen days after the date of union, or as soon as practicable thereafter, out of moneys voted by parliament:

(a) Pay to Newfoundland the cost of the steamships *Bar Haven* and *Springdale*, presently owned and operated by the Newfoundland Railway;

(b) Reimburse Newfoundland for payments made, and forego payments to be made, under Article 2 of the Agreement effective March 31, 1946, between the United Kingdom, Canada and Newfoundland, providing for the purchase by Newfoundland of buildings and Royal Canadian Air Force equipment at Gander Airport;

(c) Reimburse Newfoundland for payments made by Newfoundland to the United Kingdom for buildings and equipment at Gander Airport taken over from the Royal Air Force;

(d) Pay to Newfoundland two-thirds of the expenditure (less recoveries) at Gander Airport from April 1, 1945, to March 31, 1949, in respect of expenditures made by Newfoundland for the conversion of buildings to civil use, runway improvements and the replacement or expansion of plant and equipment, and

(e) Pay to Newfoundland, except as otherwise provided herein, the value of consumable stores and supplies, as determined by physical inventories at March 31, 1949, in respect of services taken over by Canada, and without restricting the generality of the foregoing for the following services:

(i) Postal services;
(ii) Telegraph services, and
(iii) Gander Airport.

Honourable senators will realize that because of this agreement a large percentage of the contemplated expenditure would have to be made soon after union with Newfoundland. It is for this purpose that the seven-twelfths mentioned in Schedule A is requested.

Section 4 of the bill makes provision for a sum of $401,400 in addition to the amounts mentioned in section 2. This sum is one-sixth of the two items set out in Schedule B. The estimate for the first item is to provide $408,400 for maintenance and extension of bait service. As to this, I fancy that there are seasonal requirements which make it necessary to have a vote of one-sixth of this item now.

Then there is an item of $2 million for payments during the year under the Unemployment Insurance Act. Honourable senators will note that section 41 of the agreement with Newfoundland provides for the payment of unemployment insurance benefits or assistance on a certain scale to persons who lose their employment within six months prior to the date of union and are still unemployed at that date, or who lose their employment within a two-year period after that date. The item in the supplementary estimates reads as follows:

To authorize and provide for payment of unemployment assistance to residents of Newfoundland who have been employed in employment that would have been insurable employment within the meaning of the Unemployment Insurance Act, 1940, if it had been employment in Canada, or who have been employed in insurable employment within the meaning the said Act, for at least thirty per cent of the working days within the period of three months preceding their loss of employment or thirty per cent of the working days within the period since the date of Union, whichever period is the longer, and who lose their employment within six months prior to the date of Union and are still unemployed at that date, or who lose their employment within a two-year period after that date, such assistance to be payable during a period of six months from the date of Union or from the date of unemployment, whichever is the later, on the same scale and under the same conditions as unemployment insurance benefits under the said Act and regulations made thereunder, and on rates based on the individual's wage record for the three months preceding his loss of employment; but no person shall receive such assistance and unemployment insurance benefits concurrently; and such assistance shall be deemed to be a benefit or payment within the meaning of section sixty-seven of the said Act; the Governor in Council is authorized to make such regulations as he may deem necessary to administer this vote and give effect to the purposes and terms thereof.

As I mentioned, the total of the estimate for the year is $2 million, but the amount voted by the bill is one-sixth of this, to provide for payments under the Unemployment Insurance Act in accordance with the terms of Union.

That, honourable senators is the best explanation I can give of the bill.

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

THIRD READING

Hon. Mr. Robertson: Honourable senators, with leave, I move that this bill be now read the third time.

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

The Senate adjourned during pleasure.

The sitting was resumed.

ADJOURNMENT

Hon. Mr. Robertson: Honourable senators, apparently there is no prospect of the bill containing supplementary estimates being passed this evening. I accordingly move:

That when this house adjourns it stand adjourned until Monday next at 8 o'clock in the evening.

The motion was agreed to.

THE ROYAL ASSENT

The Right Honourable Thibaudeau Rinfret, Chief Justice of Canada, acting as Deputy of His Excellency the Governor General, having come and being seated at the foot of the Throne, and the House of Commons having been summoned and being come with their Deputy Speaker, the Right Honourable the Deputy of His Excellency the Governor General was pleased to give the Royal Assent to the following bill:

An Act for granting to His Majesty certain sums of money for the public service of the financial year ending the 31st of March, 1950.

The House of Commons withdrew.

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

The sitting of the Senate was resumed.

The Senate adjourned until Monday, April 4, at 8 p.m.

APPENDIX

UNION OF NEWFOUNDLAND WITH CANADA

Ceremonies at St. John's, Newfoundland and Ottawa, Canada

FRIDAY, APRIL 1, 1949

Broadcast from St. John's, Newfoundland:

Commentator: I am speaking to you now from Government House, in St. John's, the official residence of all governors of Newfoundland since about 1832, when responsible government was first introduced into the island. In this building all our governors and administrators of government since that time have taken their oaths of allegiance and office, and it is eminently fitting that here should be sworn in also the first Lieutenant Governor of this new province of Canada.

Present in these rooms are His Honour the Lieutenant Governor Designate, the Honourable Albert Walsh, K.C.; His Worship the Chief Justice the Honourable Sir Edward Emerson, who will administer the oaths. Also present are the judges of the Supreme Court; the heads of the various churches; representatives of Canada, the United States, France, Portugal; the mayor of St. John's; permanent heads of the local government; the Prime Minister Designate and his colleagues; representative citizens and their wives, and members of the local and foreign press, numbering in all about one hundred.

The ceremony today will be a brief but none the less impressive one. It will open with the singing of the Ode to Newfoundland by a choir under the direction of Mr. Robert McLeod. Following this you will hear the reading of the commission of the Lieutenant Governor. Then follows the highlight of this afternoon's ceremony, when the Chief Justice, Sir Edward Emerson, will administer the oaths of allegiance and office to the first Lieutenant Governor, the Honourable Sir Albert Walsh, K.C. Following this, the Honourable Colin Gibson, a member of the Canadian government, will present to His Honour token Canadian citizenship papers, and, in accepting on behalf of the people of Newfoundland, Sir Albert will reply. This will conclude the ceremony at St. John's. The proceedings at Ottawa will follow immediately.

Now, all is in readiness for the ceremony here at Government House.

Ladies and gentlemen, the Ode to Newfoundland.

(Here followed the singing by the choir of two verses of the Ode to Newfoundland.)

Reading of Commission and swearing-in ceremony of new Lieutenant Governor:

Sir Edward Emerson: George the Sixth, by the Grace of God, of Great Britain, Ireland and the British dominions beyond the seas, King, Defender of the Faith.

To the Honourable Sir Albert Joseph Walsh, of the city of St. John's, in the province of Newfoundland, Knight Bachelor, one of our counsel learned in the law, Greeting:

Know you that we, reposing special trust and confidence in the prudence, courage, loyalty, integrity and ability of you the said Albert Joseph Walsh, have, by and with the advice of our Privy Council for Canada, thought fit to constitute and appoint and we do hereby constitute and appoint you the said Albert Joseph Walsh to be the Lieutenant Governor in and over the province of Newfoundland, one of the provinces of Canada, during the will and pleasure of our Governor General of Canada.

And we do hereby authorize and empower and command you and the said Albert Joseph Walsh in due manner to do and execute all things that shall belong to your said command and the trust we have reposed in you, accord-

ing to the several powers, provisions and directions granted or appointed you by virtue of the act of parliament of the United Kingdom of Great Britain and Ireland, passed in the thirtieth year of Her late Majesty's reign, called and known as the British North America Act, 1867, and of all other statutes in that behalf and of this our present commission, according to such instructions as are herewith given to you and hereunto annexed or which may from time to time be given to you in respect of the said province of Newfoundland under the sign manual of our Governor General of Canada or by order of our Privy Council for Canada and according to such laws as are or may be in force within the said province of Newfoundland.

And we do hereby further appoint that so soon as you shall have taken the prescribed oaths and entered upon the duties of your office, this our Commission shall come into force and take effect.

In testimony whereof we have caused these our letters to be made patent and the great seal of Canada to be hereunto affixed.
Witness:

Our right trusty and well-beloved cousin, Harold Rupert Leofric George, Viscount Alexander of Tunis, Knight of Our Most Noble Order of the Garter, Knight Grand Cross of Our Most Honourable Order of the Bath, Knight Grand Cross of Our Most Distinguished Order of Saint Michael and Saint George, Companion of Our Most Exalted Order of the Star of India, Companion of Our Distinguished Service Order, upon whom has been conferred the decoration of the Military Cross, Field Marshal in our army, Governor General and Commander in Chief of Canada.

At our government house, in our city of Ottawa, this first day of April in the year of Our Lord one thousand nine hundred and forty-nine, and in the thirteenth year of our reign.

By command,
Secretary of State of Canada.

Oaths of the Lieutenant Governor of the Province of Newfoundland

Oath of Allegiance

I, Albert Joseph Walsh, do swear that I will be faithful and true and bear true allegiance to His Majesty King George the Sixth, his heirs and successors according to law.

So help me God.

Oaths of office

You shall well and truly execute the office and trust of Lieutenant Governor of the province of Newfoundland and duly and impartially administer justice therein.

So help you God.

You shall well and truly execute the office and trust of Keeper of the great seal of His Majesty's province of Newfoundland according to the best of your knowledge and ability.

So help you God.

Commentator: The oath has now been administered, and the Honourable Colin Gibson, a member of the government of Canada, will speak.

On presentation of token certificate of citizenship to Sir Albert Walsh, Lieutenant Governor of Newfoundland.

Hon. Colin Gibson (Minister of Mines and Resources): Your Honour, it is a great privilege for me, as a representative of the Prime Minister and the people of Canada, to be here today in St. John's to take part in this confederation ceremony.

We welcome the people of Newfoundland who today become equal partners with us in the development of the northern part of the American continent.

In recognition of your entry into our confederation I have much pleasure in presenting to you, sir, this certificate of Canadian citizenship, which has been specially prepared to mark this occasion. As you will see, it certifies that every Newfoundland British subject coming within the relevant provisions of the Canadian Citizenship Act adds to his status as a British subject that of being a Canadian citizen, and that he or she is entitled to all rights, powers and privileges, and subject to all obligations, duties and liabilities to which a natural-born Canadian citizen is entitled or subject.

I can assure you, sir, that all the people of Canada join with me in extending to the people of Newfoundland a welcome into our Canadian family.

Sir Albert Walsh (Lieutenant Governor of the Province of Newfoundland): Hon. Mr. Gibson, on behalf of the people of Newfoundland I am happy to welcome you on the occasion of your visit to Newfoundland to take part in this ceremony as the representative of the Prime Minister and the people of Canada.

The certificate of citizenship which you have presented to the people of Newfoundland, through me, shows that all of us now have a new status, that of Canadian citizens, which entitles us to rank equally with all other Canadian citizens throughout all Canada. This new citizenship is in addition to the status which we have enjoyed in common, the status of British subjects. I am glad

to accept this certificate, and can assure you that the people of Newfoundland who will enjoy the privileges of this new citizenship will faithfully discharge their duties as citizens.

I am sure that all the people of Newfoundland wish me to express through you to the people of Canada our appreciation of the welcome which you have extended on their behalf on this historic occasion, and to extend best wishes to a people with whom we have for many years been so closely associated.

Commentator: The ceremony of the swearing in of the first Lieutenant Governor of the province of Newfoundland and the presentation of token Canadian citizenship papers to His Honour is now concluded.

This is CBN, St. John's, Newfoundland, transferring you to parliament hill in Ottawa.

Broadcast from Ottawa:

(Carillon)

Commentator: Those are the bells of the carillon in the peace tower of the houses of parliament here on parliament hill in Ottawa. Robert Donnell, Canada's official carilloneur, is playing a Newfoundland folk song called "Squid Jiggin' Ground".

I am standing near a platform which has been erected on the steps of the peace tower. Our purpose, of course, is to continue the broadcast of the ceremony which will unite Newfoundland, the last and oldest of the British North American colonies with Canada, thereby making it Canada's tenth province.

His Excellency the Viscount Alexander of Tunis, Governor General of Canada, and the official party, are expected in a few minutes, and will take their places on the platform.

Among the officials will be the Prime Minister of Canada, the Right Honourable Louis St. Laurent, and Mr. F. Gordon Bradley, of Newfoundland, who we understand has been sworn in as a minister of the crown during the past half hour. No doubt further mention will be made of this appointment by the Prime Minister.

The Governor General and the official party are arriving at the platform.

(Royal Salute; six bars National Anthem.)

The composite guard of honour, composed of members of the army and air force, has just accorded His Excellency the Governor General a royal salute.

Photographers from the different newspapers and magazines are now taking pictures of the members of the platform party. Among the distinguished people on the platform, on the Governor General's right is the Prime Minister of Canada, the Right Honourable Louis St. Laurent, the Right Honourable William Lyon Mackenzie King, and the Right Honourable Sir Lyman Poore Duff.

It is a beautiful day for an outdoor ceremony. The wind is cool and the sun is shinning brightly. Hundreds of citizens of Ottawa and the surrounding district are taking advantage of the seasonal temperatures and have turned out to witness this history-making event. Civil servants have been allowed to take their lunch hour a little earlier today in order to be present, and parliament hill is crowded with people.

Just behind the composite guard of honour is the band of the Governor General's Foot Guards, which you will hear later on during the ceremony.

The Prime Minister is preparing to make his address of welcome to the people of Newfoundland.

Right Hon. L. S. St. Laurent (Prime Minister): I should like to direct my first words today to the people of the new Canadian province of Newfoundland. I know I am speaking for the people of the other nine provinces when I say that we welcome you warmly as fellow Canadians.

In greeting you as fellow citizens we do not feel that you in Newfoundland have ever been strangers. In peace we have been happy to live and work beside you. In two wars we have been glad you were in our company and we in yours. We have the same traditions and the same way of life. We are both proud of our association in the British commonwealth of nations. We have shared, and continue to share, a common loyalty to His Majesty the King.

At this time, when we are taking a major step in the life of Newfoundland and of all Canada, the people of the nine older provinces and those of Newfoundland are equally aware that one circumstance that has contributed to union is our common loyalty to His Majesty the King. That common loyalty will continue to be one of the most important forces in the life of our united nation. With those thoughts in mind, I asked His Excellency the Governor General to convey a message this morning—the first full day of the new union—to His Majesty King George VI. The message reads as follows:

On the occasion of the entry of Newfoundland into confederation as a province of Canada I send to Your Majesty, on behalf of the government and people of Canada, the expression of our devoted loyalty, together with our sincere good wishes to you and to Her Majesty the Queen. The people of Canada, those of Newfoundland and those of the other provinces of Canada, now one nation under the crown, are happy to learn of Your Majesty's improvement in health, and join in wishing you a speedy recovery.

The union we celebrate today was not concluded without the most careful consideration by representatives of both Canada and Newfoundland.

In 1947, when the delegation from your national convention came to Ottawa to see if a satisfactory basis could be found for the political union, we were pleased. We had no hesitation in making it clear that we would welcome union. But we recognized that the decision was one for you to make yourselves. We were happy when you, the people of Newfoundland, decided by a free vote that you favoured union. And we are happy today to have the union completed.

In welcoming you as partners in the Canadian nation, we of the rest of Canada feel that you are joining a good country, a country of which you will come to be as proud as we are. Canada is a country with a distinctive character and distinctive qualities. Our nation in its origin was a union of two great races that have joined their talents without merging their identities. The union includes peoples of many other national origins. Our country covers a vast area between two oceans with great differences of soil and climate and industry. But from end to end of Canada there is an ever-deepening sense of community of interest and of purpose. We have a common pride in being Canadians. We are proud of Canada's past and of the record of our men and women in peace and in war. We are confident of our country's future. We feel that our nation can hold its head high among the nations of the world.

With the pleasure we have in welcoming you of Newfoundland as Canadians there is mingled a feeling that you could have joined no better nation. The formal union is completed today. But the real union—the union of hearts and minds—took place in the recent terrible war in which Canadians and Newfoundlanders were so closely joined.

It is not only in war that we have come to know and appreciate the qualities of the people of Newfoundland. During the centuries since the original settlement of Newfoundland the people of your island have met the forces of nature, on sea and on land. In adversity and in prosperity they have developed qualities of heart and spirit for which they are renowned.

Some of those qualities are referred to by your native son E. J. Pratt, who has written:

> This is their culture, this—their master passion
> Of giving shelter and of sharing bread,
> Of answering rocket signals in the fashion
> Of losing life to save it. In the spread
> Of time—the Gilbert-Grenfell-Bartlett span—
> The headlines cannot dim their daily story,
> Nor calls like London! Gander! Teheran!
> Outplay the drama of the sled and dory.

The fact that Newfoundland has become a province of Canada will not cause you to lose your identity, of which you are all so justly proud.

A Canadian province is not a mere administrative unit of the central government. Each of our provinces has its own distinctive political existence and political traditions. Within its field of jurisdiction the provincial legislature is as sovereign as the parliament of Canada is within its field. The provincial legislature has jurisdiction over education; property and civil rights; charitable, local and municipal institutions. To the province also falls the primary responsibility for public health and social welfare.

In entrusting such jurisdiction to the province, the Fathers, in their wisdom, left to the province the primary responsibility for the protection of the family, the school, the church, the very foundations of our society.

Our constitution thus assures to each province the preservation of its ancient traditions, its own culture and all those distinctive characteristics which add variety and colour to our national life.

Newfoundland today enters confederation as a full and equal partner with the older provinces. It is my hope and belief that in the future the advantages of the union will be increasingly recognized by the great majority of the people of Newfoundland and of all Canada.

We are completing our union at a troubled time for all people who believe in freedom and democracy and who hope for peace. The free and peace-loving countries of the north Atlantic community are at the present moment taking steps, within the charter of the United Nations, to band themselves together for greater security against any would-be aggressor.

Newfoundland is in the very centre of the north Atlantic community. Canada as a whole occupies a large part of the north Atlantic area. The nations of that whole area will be more secure in the new north Atlantic association. In the same way, Canada and Newfoundland will have greater security in being bound together in federal union. From today all Canadians, old and new, will work as one to preserve peace and to win security. And in a world where free people can work in security and peace, the opportunities for the enlarged Canada, with its ten provinces, are immense.

Among our people there are some who still do not have that standard of life we think all Canadians should have. There are some who still do not enjoy an adequate degree of social security. We shall not cease to work

for a larger measure of prosperity and security for all our people in all parts of Canada.

But while there is yet room for improvement, there is no country in the world where that improvement is more possible, or, indeed, more certain. The wealth of Canada is the wealth of half a continent. The talents and the energies of our people are those of free men who work together for the benefit of all. Our wealth, our talents, our energy, and our co-operation constitute the promise of our country.

The people of Newfoundland, who have today become citizens of Canada, will share with the people of the rest of Canada in the work and in the wealth of our nation. Together we shall strive, under God's guidance and with confidence in our future, to build a greater and a better land.

In conclusion I welcome as a colleague in the government of Canada the Honourable Gordon Bradley, of Newfoundland, who this morning was sworn to the privy council and becomes Secretary of State of Canada.

(Translation):

Let the Newfoundlanders of yesterday, Canadians of today, be formally assured, that when I welcome them in English, I express the feelings of their new compatriots whose maternal tongue is French, as much as of those whose maternal tongue is English.

They now belong to a nation whose two main elements both hold dear the traditions, culture and language of their ancestors, and that should stand as a guarantee that by joining a new nation, they will lose nothing of their own ancestral heritage, whose assets on the contrary, will be added to the commonwealth, for the common benefit of all Canadians.

(Text):

Mr. Bradley will now address his fellow Canadians in all the ten provinces.

Hon. F. G. Bradley (Secretary of State): This is a day which will live long in North American history. It is a day of fulfilment—fulfilment of a vision of great men who planned the nation of Canada more than eighty years ago; and as we stand here on this day of destiny our thoughts fly back through the years to those far-seeing men of the past—Macdonald, Brown, and Cartier in Canada, and Carter and Shea in Newfoundland—whose vision was broader and deeper than their times, and whose conception of a united British North America has just become a reality. In fancy we can see them now, bending over this scene in silent and profound approval.

That they were right is not now open to question. The history of the Canada they began in 1867 leaves no room for doubt upon that point; and the logic of these eighty years indicates that a still greater and better Canada for us all lies in the future.

For me this day transforms a dream of long ago into an accomplished fact. For many years I have felt that our similar independence was unsound; that the close proximity of my native island to the mainland constituted a clear call for union with Canada; that the allegiance to one crown, which we have always shared with Canada, beckoned us westward; that the identity of our principles and traditions pointed in the same direction.

All these considerations led irrevocably to but one conclusion—that Macdonald, Brown and Cartier, and Carter and Shea, were right; and I am happy that this day has come in my time.

I suppose that this union will make hardly any appreciable impression upon the lives of the citizens of Canada of yesterday, but to the people of the new province the changes will be deep and abiding.

In some matters they will lose that exclusiveness of control of their own destinies which they have heretofore enjoyed, and in return they acquire a share in the councils of a great nation—the new Canada—of which they have become a part; they must accustom themselves to a new system of government—the federal system—which links them with all Canadians and yet assures them of a continuance of that identity of which they have always been so proud. They will experience new channelings of trade, new standards of social legislation, new methods of taxation, and a new measure of responsibility as citizens of the new Canada.

Confederation in the days of Macdonald was perhaps comparatively simple, but in the complexities and uncertainties of our modern world it is inevitable that in the process of adjustment to their changed status there will be stresses and strains. We shall have to meet these problems as they arise within the next few months and perhaps the next few years; and yet out of the experience of the past we may confidently expect that they will not prove as difficult in the future.

Indeed, that process of adjustment has already begun, and we Newfoundland Canadians have been deeply impressed by the speedy recognition of our problems by those whom I may term the older Canadians, and their sincere desire to co-operate with us in effecting the transition as smoothly and with as little dislocation as possible.

Thus we begin life as one people in an atmosphere of unity. We are all Canadians now. Now, as never before, can it be said of this land that her bounds extend from sea

to sea. From the eastern shores of the new Province of Newfoundland to the coast of British Columbia let us go forward together with faith in the principles and traditions which we hold in common. Thus shall we grow in strength and prosperity. Thus will the prophetic vision of that great Canadian, Sir Wilfrid Laurier, when he said that the twentieth century belonged to Canada, be acknowledged by the whole world.

On Inscribing the Arms of Newfoundland on the Peace Tower:

Right Hon. L. S. St. Laurent (Prime Minister): The dominating feature of the capital of Canada is the tower before which we now are standing. It has become known, through visit or photograph or painting, to almost every Canadian. To Canadians it is a symbol of our confederation, and of its spirit and character.

The tower arose out of the ashes of the old parliament building which was destroyed by fire in 1916. When it was built it was dedicated to peace, and on the arch of its base were inscribed the coats of arms of the nine provinces of Canada. The architects and stonecutters charged with the work, however, carved ten shields instead of nine. One was left blank for the day, which the fathers of confederation had foreseen, when Newfoundland would join Canada. That day has come.

It is most gratifying to me as Prime Minister of Canada to cut the first line on the shield that will bear the arms of the ancient colony of Newfoundland, now the tenth province of Canada.

I do so, for my own part and on behalf of my predecessor, Mr. Mackenzie King, who as Prime Minister had a large and decisive part in bringing about the union.

I feel confident that the inscription in hard and enduring stone will not be more lasting than the union of which it is the symbol.

(These remarks repeated by Mr. St. Laurent in French.)

Address of His Excellency the Governor General

It is my privilege today in speaking to the people of Newfoundland, and to those who are now their fellow citizens in the rest of Canada, to convey a message from His Majesty the King. The message is as follows:

Please convey to the government and people of Canada on behalf of the Queen and myself our appreciation of the message of loyalty and good wishes which you sent me. On this historic occasion I am glad to send my good wishes to the people of the greater Canada—to those of the old provinces and to those of the new province of Newfoundland—who will now go forward together to the high destiny that awaits them. Today marks the fulfilment of the union into one great nation of all peoples of the British commonwealth in the northern part of North America. May the union that is now complete continue, under God's guidance, to grow in strength, prosperity, happiness, and may it bring new benefits to its people from sea to sea.

As representative of His Majesty, and as Governor General of Canada, it is a special pleasure for me to be able to convey that message on so historic an occasion.

The ceremony we have witnessed, the beginning of the carving of the arms of Newfoundland on the tenth shield in the arch of the peace tower, is a perfect symbol of the event we celebrate today. When union of the British colonies in North America was discussed at Quebec in 1864, Newfoundland was represented. At that time it was expected that Newfoundland would form a part of the proposed union. When the confederation that is now Canada was established, and Newfoundland was not included, the union was felt to be incomplete. It has remained incompleted until today.

When the arch in the peace tower was constructed, the sense of proportion of the architect confirmed the judgment of the fathers who had planned confederation. With only nine shields, no balance could be achieved that would satisfy the requirements of beauty and symmetry. And so the arch, like the union, was unfinished until the people of Newfoundland decided to join in the union which their representatives originally helped to plan. The people of Newfoundland have now so decided. The arch and the union will now be complete.

While I have not yet had occasion to visit Newfoundland, the qualities of its people are by no means unknown to me. The reputation established by the Royal Newfoundland regiment in the war of 1914-18 will always be a source of pride to the island whose sons that regiment made famous. In the last war I had under my own command in Italy the 166th (Newfoundland) Field regiment, Royal Artillery, which carried on so well the reputation established by the sons of Newfoundland in the first world war. It was, perhaps, an augury of the union being completed today, that the 166th regiment was in support of the first Canadian division at Ortona in Italy.

As Governor General of Canada it is a pleasure for me to be able to welcome the people of Newfoundland into the country in which it is my privilege to represent His Majesty the King. I trust it will soon be my pleasure to visit the people of the new province in their own island and to greet again some of the gallant men who served under my command in Italy. To them, and to all the people of Newfoundland, I send today a word of greeting and of welcome as citizens of Canada.

God Save the King

Ode to Newfoundland

O Canada

Royal Salute

Commentator: The Governor General and the official party are now preparing to leave the platform which has been erected on the steps of the peace tower here at the houses of parliament on parliament hill in Ottawa. The Governor General and the Prime Minister have left the platform, and Mr. King is speaking with the new Secretary of State, the Honourable Mr. Bradley.

That concludes the official ceremony from parliament hill in Ottawa, linking Newfoundland with Canada as its tenth province.

Before returning you to our studios and our regular broadcasting schedule, we shall hear from Robert Donnell, Canada's official carilloneur, who will play "This Canada of Ours", his own composition, especially written for the citizenship ceremonies held in January of 1947.

(*Carillon*)

The composite guard of honour, made up of members of the army and air force, commanded by Major A. E. Wood, is now preparing to leave. (Incidentally this is also a great day for the air force, since today marks the twenty-fifth anniversary of the Royal Canadian Air Force. Doubtless there are many Newfoundland boys in the guard of honour.)

Photographers are now taking pictures of the shield which was inscribed by the Prime Minister. During the ceremony the Prime Minister carved the first stone from the shield which will bear the coat of arms of the province of Newfoundland, one of the first to appear in the new world. The present coat of arms of Canada dates only from November, 1921, although an earlier Dominion of Canada coat of arms came into use following a royal warrant dated May 26, 1868, which coat of arms was composed merely of the four original provinces' coats of arms assigned at the time and by the same warrant.

THE SENATE

Monday, April 4, 1949

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

Prayers and routine proceedings.

PRIVATE BILL

SECOND READING

Hon. C. B. Howard moved the second reading of Bill I-7, an Act to incorporate the National Spiritual Assembly of the Bahá'ís of Canada.

Hon. Mr. Horner: Would the honourable senator explain what type of religious order this is?

Hon. Mr. Roebuck: Who are they?

Hon. Mr. Howard: Honourable senators, this is a bill to incorporate a religious organization and is in the same terms as other bills of a similar nature.

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

REFERRED TO COMMITTEE

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

The motion was agreed to.

PRIVATE BILL

SECOND READING

Hon. Salter A. Hayden moved the second reading of Bill Y-7, an Act respecting a certain patent application of Walter Oliver Beyer.

He said: Honourable senators, the purpose of this bill is to remedy a difficulty which has developed with respect to an application for a patent filed in the Canadian Patent Office on July 17, 1947. Because of the disruption which occurred during the war years, persons who had filed applications in the United States and in England were not able to file in Canada within the time limit prescribed by the Patent Act, and it became necessary, in 1947, to amend that Act. The new section 28A extended the time for filing applications for patents to November 15, 1947, provided that a request for such extension was made before May 15, 1948.

A patent was granted in the United States to the petitioner in the bill before us, and through his Canadian agents he filed an application in the Canadian Patent Office within the time specified in the amended Act. Through some inadvertence, however, the agents who filed the application failed to include in it a request for an extension of time, as required by section 28A. Because of the large number of applications filed in the patent office, it was not until after May 15, 1948, that this particular application came to the attention of the Commissioner of Patents. The application was in order in every other respect, but the commissioner—who is not opposing this bill—is bound to comply with the provisions of the Act.

The amending legislation passed in 1947 was based on an understanding between Canada and the United States and Great Britain that similar legislation for the same purpose and under the same circumstances would be passed by all three countries. By this means people would not lose their rights because of war conditions.

I may point out that the extension of time for late filing does not extend a patent monopoly. The period of time which elapses between the original date of filing and the extended date is deducted from the term of the patent. That is to say, the life of the patent will be shortened by that period, whatever it may be. As a result, when this bill is passed the life of the patent will be for only thirteen years instead of the usual seventeen years. There is nothing further I can add.

Hon. Mr. Roebuck: Are there any other bills in like case?

Hon. Mr. Hayden: I do not know whether there are any others or not. I may say that when the bill reaches committee the Commissioner of Patents will be in attendance and will indicate that he is not opposing the measure.

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

REFERRED TO COMMITTEE

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

The motion was agreed to.

BUSINESS OF THE SENATE

Hon. Mr. Robertson: Honourable senators, I have made inquiries about the progress in the other house of the only piece of legislation which is to come to us before we adjourn for the Easter recess. I am advised that it will not likely reach us tonight; therefore I have no alternative but to move that this house do now adjourn.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Tuesday, April 5, 1949

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

Prayers and routine proceedings.

BUSINESS OF THE SENATE

Hon. Mr. Robertson: As honourable senators know, the supplementary estimates have not yet been passed in the other place. Some hope is expressed, however, that the legislation will reach us today. Two alternatives are now open to us: we can adjourn forthwith until 10.15 this evening; or we can adjourn during pleasure to reassemble at the call of the bell at approximately 4.45. I believe it is the wish of the house that we adjourn during pleasure. Accordingly, I move that this house do now adjourn during pleasure to reassemble at the call of the bell at approximately 4.45 this afternoon.

The Senate adjourned during pleasure.

The sitting was resumed.

Hon. Mr. Robertson: Honourable senators, as there seems no likelihood that the bill which we are awaiting will reach us in time for us to deal with it and to have Royal Assent this afternoon, I have no choice but to move that the Senate adjourn now to reassemble at 8 o'clock this evening.

The Senate adjourned until 8 p.m.

At 8 p.m. the sitting was resumed.

Hon. Mr. Robertson: Honourable senators, from information I have received it seems highly unlikely that sufficient progress will be made in the other place to enable us to have the supplementary estimates before us in time for Royal Assent tonight. Under the circumstances I have no option but to ask the house to adjourn until tomorrow afternoon at 3 p.m. I shall not be in the house tomorrow as I have to fulfil an engagement of long standing.

A few days ago I announced that it did not seem likely that anything of importance would come before the Senate until a week after the House of Commons resumed sitting on April 25. Since making that announcement my attention has been drawn to the fact that an adjournment to that date would delay the introduction of certain pipe line bills. In fact, the advertising for one of these bills will already have been completed. While I do not like to ask the Senate to sit when there is no public business before it, I think the representations made to me are sufficiently urgent to justify me in asking honourable senators to return on the same date as the House of Commons. Therefore, tomorrow or whenever the Senate adjourns, if I am not here myself, the Deputy Leader (Hon. Mr. Copp), will move that the House stand adjourned until Monday, April 25, at 8 p.m.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, April 6, 1949

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

Prayers and routine proceedings.

BUSINESS OF THE SENATE

Hon. Mr. Copp: Honourable senators, I believe this is the third day in succession that we have been awaiting the pleasure of the other place, so that we might proceed with important legislation that is to come before us. Although it is not yet certain what will happen, I am advised that we may have the supplementary supply bill here in time to receive the Royal Assent tonight, after which I will move the adjournment. In the meantime, in the hope that honourable senators may receive an agreeable surprise when they return, I now move that this house do adjourn during pleasure, to reassemble at the call of the bell at approximately five o'clock.

The Senate adjourned during pleasure.

The sitting was resumed.

Hon. Mr. Copp: Honourable senators, I regret to have to inform you that I have just had word that no measure will be coming to us from the other house before 6 o'clock, at which time that house will adjourn until tomorrow, so we shall have no business today. The only assurance I can give honourable members is that they will have the privilege of listening to prayers here on another day at least. Beyond that I cannot say anything.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Thursday, April 7, 1949

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

Prayers and routine proceedings.

SPEECH FROM THE THRONE

ADDRESS IN REPLY—MESSAGE OF THANKS FROM HIS EXCELLENCY

The Hon. the Speaker informed the Senate that he had received a message from His Excellency the Governor General reading as follows:

The Honourable
The Members of the Senate:

I have received with great pleasure the address that you have voted in reply to my speech at the opening of parliament. I thank you sincerely for this address.

Alexander of Tunis.

BUSINESS OF THE SENATE

Hon. Mr. Robertson: Honourable senators, I have made inquiries and ascertained that there is no possibility of a Royal Assent this afternoon, but that it may be possible at 10 o'clock this evening. In the circumstances the only course open to me at the moment is to move that the Senate adjourn during pleasure, to reassemble at the call of the bell, at 8 o'clock.

The Senate adjourned until 8 p.m.

At 8 p.m. the sitting was resumed.

THE ROYAL ASSENT

The Hon. the Speaker informed the Senate that he had received a communication from the Assistant Secretary to the Governor General, acquainting him that the Right Honourable Thibaudeau Rinfret, Chief Justice of Canada, acting as Deputy of His Excellency the Governor General, would proceed to the Senate chamber this day at 11.45 p.m., for the purpose of giving the Royal Assent to certain bills.

BUSINESS OF THE SENATE

Hon. Mr. Robertson: Under the circumstances, honourable senators, I now move that this house adjourn during pleasure, to reassemble at the call of the bell, not earlier than 9.30 o'clock.

The Senate adjourned during pleasure.

The sitting was resumed.

APPROPRIATION BILL NO. 2

FIRST READING

A message was received from the House of Commons with Bill 232, an Act for granting to His Majesty certain sums of money for the public service of the financial year ending the 31st March, 1949.

The bill was read the first time.

SECOND READING

Hon. Wishart McL. Robertson moved the second reading of the bill.

He said: Honourable senators, under the circumstances, and at this late hour, I do not intend to give a detailed explanation of this bill, which covers supplementary estimates for the past year. I should like, however, to refer to some of the items involving expenditures of $1,000,000 or more. I would remind honourable senators that I am quite willing that these items be discussed at any future time.

The total of the estimates is $100,898,573.87, an amount which does not exactly agree with the estimates as printed in the bill. The item of $5,500 for old age pensions has been withdrawn, reducing the original figure of $100,904,073.87 to the total I have already given. Last year's estimates, which were brought down at approximately this stage of the session of parliament, amounted to slightly less than $80 million.

The largest individual amount in the estimates before us is $33,532,741.12, which is to cover the deficit of the Canadian National Railways. This figure is materially higher than the $16 million of last year. A further item of $2,933,240.38 covers the deficit in the operation of the Trans-Canada Air Lines.

The item of $3,250,000 covers a loan to the Department of Trade and Commerce to provide for the purchase and placing in storage of strategic reserves of materials.

An amount of $2,500,000 is set aside to provide for advances to Canadian Arsenals Limited, to increase the working capital fund for the operations of the company. As honourable senators know, the Canadian Arsenals Limited is engaged principally in the manufacture of munitions for the armed forces.

The sum of $3,894,493 is set aside as the government's contribution to the permanent forces pension fund. I am advised that a further amount is required for this purpose because of the additional sum that must be contributed by the government as a result of increased salaries for those in the armed forces.

There are items amounting to $19,622,583 for demobilization and conversion, to provide for additional expenditures against the authorized commitment program in connection with the orderly establishment of the defence forces, navy, army and air services,

on a peacetime basis and to authorize further commitments for future years of $11,708,000.

An amount of $1,218,833.10 is required to reimburse the Canadian Wheat Board in respect of carrying charges and other incidental expenses incurred by the board in connection with wheat sold for domestic requirements pursuant to order in council P.C. 3222, of July 30, 1946.

An item amounting to $17,200,000 is to reimburse the Canadian Wheat Board in connection with flour or food containing wheat for human consumption in Canada. As honourable senators know, until recently there was in effect a provision whereby the difference between the price at which the Wheat Board bought wheat and the price at which the wheat was sold to millers was paid by the government. That practice has been discontinued, and this item covers the amount payable by the government for the past year.

An amount of $4,454,250.44 is provided to reimburse the Canadian Wheat Board for the deficit incurred through the operations of the board on the 1947 crop account, flax division, for the period from August 1, 1947 to July 31, 1948.

Then there is an item of $3,103,000, being a further amount required to meet the government's contribution to the Unemployment Insurance Fund. There having been an increase in the contributions by individuals, this amount is to cover the proportionate increase in the government's contribution.

For removal of apple trees in the Annapolis Valley there is the sum of $1 million. Honourable senators will realize that this has to do with the accelerated program that was embarked upon some time ago for the removal of apple trees in the valley, the purpose being to change over to production of a type of apples more likely to be suitable to market requirements in the future.

These items that I have mentioned amount to $92,709,141.

The balance is made up of a large number of small items as to which I do not intend to detain the house tonight. I assure honourable senators that should any questions arise, they may be discussed when further supply bills are before us.

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

THIRD READING

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

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

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

CRIMINAL CODE BILL

FIRST READING

Hon. Mr. Robertson presented bill Z-7, an Act to amend the Criminal Code.

The bill was read the first time.

ADJOURNMENT

Hon. Mr. Robertson: Honourable senators, I move that when this house adjourns it stand adjourned until Monday, April 25, at 8 o'clock in the evening.

The motion was agreed to.

The Senate adjourned during pleasure.

THE ROYAL ASSENT

The Right Honourable Thibaudeau Rinfret, Chief Justice of Canada, acting as Deputy of His Excellency the Governor General, having come and being seated at the foot of the Throne, and the House of Commons having been summoned and being come with their Speaker, the Right Honourable the Deputy of His Excellency the Governor General was pleased to give the Royal Assent to the following bills:

An Act respecting The Corporation of the City of Ottawa, Ottawa Transportation Commission and The Ottawa Electric Railway Company.

An Act for granting to His Majesty certain sums of money for the public service of the financial year ending the 31st March, 1949.

The House of Commons withdrew.

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

The sitting of the Senate resumed.

The Senate adjourned until April 25, at 8 p.m.

THE SENATE

Monday, April 25, 1949.

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

Prayers.

PIPE LINE COMPANIES

REPORTS OF COMMITTEE

Hon. Mr. Bishop presented reports of the Committee on Standing Orders on petitions respecting:-

Interprovincial Pipe Line Company,
Alberta Natural Gas Company,
Westcoast Transmission Company Limited,
Trans-Northern Pipe Line Company,
The British American Pipe Line Company.

Hon. Wishart McL. Robertson: Honourable senators, perhaps I may say a word in explanation of these reports. The sponsors of certain bills were anxious that they should be introduced this evening, but a technicality intervened, inasmuch as the requisite advertising had not been done in the new province of Newfoundland. The matter was referred to the Committee on Standing Orders which, inasmuch as orders for the advertising have been placed and certificates thereof are in the hands of the Clerk, recommends that the sponsors be allowed to proceed with their bills.

Hon. John T. Haig: I am not going to object to the recommendation of the committee, but I would point out that the rule can only be waived by unanimous consent of the Senate. Naturally, until the petition is received and adopted, the bill cannot be read the first time; and normally, the second reading could not take place until Wednesday. I would have to object to second reading tonight; but upon the assurance that the bills will be distributed at once, I am prepared to consent to second reading tomorrow. I should like to read the bills; and I do not think the postponement of second reading will delay their passage, because the main pipe line legislation is still under consideration in the other place.

PRIVATE BILL

FIRST READING

Hon. Mr. Lambert presented Bill B-8, an Act to incorporate Interprovincial Pipe Line Company.

The bill was read the first time.

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

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

PRIVATE BILL

FIRST READING

Hon. Mr. Turgeon presented Bill C-8, an Act to incorporate Alberta Natural Gas Company.

The bill was read the first time.

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

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

PRIVATE BILL

FIRST READING

Hon. Mr. Campbell presented Bill D-8, an Act to incorporate Westcoast Transmission Company Limited.

The bill was read the first time.

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

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

PRIVATE BILL

FIRST READING

Hon. G. P. Campbell presented Bill E-8, an Act to incorporate Trans-Northern Pipe Line Company.

The bill was read the first time.

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

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

PRIVATE BILL

FIRST READING

Hon. Mr. Campbell presented bill F-8, an Act to incorporate the British American Pipe Line Company.

The bill was read the first time.

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

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

PRIVATE BILL

FIRST READING

Hon. Mr. Crerar presented bill G-8, an Act to incorporate the Western Pipe Lines.

He said: Honourable senators, after the spate of petitions and bills which have been presented tonight, I think I am within the rules of the house in presenting this bill to incorporate Western Pipe Lines. It is not

the practice of this house to read the petitions and present bills at the same time.

The bill was read the first time.

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

Hon. Mr. Haig: Tomorrow.

Hon. Mr. Crerar: Honourable senators, as this bill was fully explained a year ago, I had hoped that we might proceed with the second reading tonight. However, out of deference to the house and to the honourable leader opposite, I agree to postpone second reading until tomorrow.

Hon. Mr. Haig: Honourable members, permit me to clear up my position concerning the proceedings tonight. I have never seen such a poor presentation of petitions as I have witnessed tonight, by members of the profession to which I have the honour to belong.

Hon. Mr. Crerar: That does not apply to me.

Hon. Mr. Haig: I do not know why the honourable member from Churchill (Hon. Mr. Crerar) should charge me with attempting to delay this particular measure. If that is his attitude I will not in future consent to the suspension of rules, and that will mean a delay of two weeks. Some of these bills require to be advertised for a further two weeks, and they cannot now be presented without consent from this side of the house. In order to accommodate certain people sitting in the gallery, I have tonight consented to the first readings of six or seven bills. I know all about my friend's measure and its promoters, but unless he withdraws his charge I will not agree to second reading even tomorrow. I will ask that the bill go over to Wednesday, and then to Friday. An honourable member from my own province should not charge me with deliberately obstructing a bill.

Hon. Mr. Crerar: Honourable members, I crave the opportunity to say a word. The honourable leader opposite is the last man in this house to whom I would impute any improper motive or whom I would endeavour to put in any wrong light. What I said was in the way of good-natured banter. If my remarks gave offence to my friend, I gladly withdraw them.

Hon. Mr. Haig: Very well, I will consent to second reading tomorrow.

Hon. Mr. Euler: Peace is declared.

PRIVATE BILL

FIRST READING

Hon. Mr. Howard (for Hon. Mr. Hugessen) presented bill H-8, an Act respecting the Canadian Artillery Association.

The bill was read the first time.

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

Hon. Mr. Howard: By leave, tomorrow.

DIVORCE BILL

FIRST READING

Hon. Mr. Haig (for Hon. Mr. Aseltine, Chairman of the Standing Committee on Divorce), presented the following bill:

Bill A-8, an Act for the relief of Jessie Kathleen Batiste Latter.

The bill was read the first time.

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

Hon. Mr. Haig: With leave, next sitting.

BUSINESS OF THE SENATE

Hon. Mr. Robertson: Honourable senators, before moving the adjournment of the house, I may say that it has occurred to me that perhaps we should adjourn until tomorrow morning at 11 o'clock. I had expected that some of the bills just introduced would have received second reading tonight; but even if they had, I do not know whether it would have been possible to deal with them in the Standing Committee on Transport and Communications tomorrow morning. I am in the hands of honourable members as to the appropriate procedure. I have not had the opportunity of consulting anyone, and I should like to have some indication of the wishes of the house.

Hon. Mr. Moraud: Coming from Quebec, where there are no oil or gas pipe lines, may I inquire why all the hurry about this legislation?

Hon. Mr. Robertson: Apparently the sponsors' interest in expediting the bills arose from the prophecy of the leader of the opposition that there would be an election on June 27. Such is the respect for his prophetic gifts. I am anxious to facilitate the business of the country in every practicable way, so I made the harmless suggestion that, to give those responsible for and interested in these measures all the time possible, I was prepared, if my honourable friends approved, to meet tomorrow morning at 11 o'clock. Otherwise the house will be adjourned until the afternoon.

AGRICULTURAL PRODUCTS MARKETING BILL

FIRST READING

A message was received from the House of Commons with Bill 82, an Act to provide for the Marketing of Agricultural Products in Interprovincial and Export Trade.

The bill was read the first time.

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

Hon. Mr. Robertson: With leave, tomorrow.

JUDGES BILL

FIRST READING

A message was received from the House of Commons with Bill 234, an Act to amend the Judges Act, 1946.

The bill was read the first time.

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

Hon. Mr. Robertson: With leave, tomorrow.

FAMILY ALLOWANCES BILL

FIRST READING

A message was received from the House of Commons with Bill 235, an Act to amend the Family Allowances Act, 1944.

The bill was read the first time.

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

Hon. Mr. Robertson: With leave, tomorrow.

ADJOURNMENT

PIPE LINE BILLS

Hon. Mr. Robertson: Honourable senators, I move that when this house adjourns it stand adjourned until 11 o'clock tomorrow morning.

Hon. Mr. Haig: Is it the intention that only the pipe line bills shall be taken up tomorrow morning? With all the legislation that is before us, I do not believe we could get through in the afternoon in time for the committee meeting. I am quite willing to be here at 11 o'clock to take up the Pipe Lines bills: the other business might be deferred until the afternoon.

Hon. Mr. Robertson: There is a good deal of legislation before us, and under the circumstances we might meet at 11 o'clock. I am quite willing to discuss our further business in the light of the progress that is made. We will go ahead with the pipe line bills if the sponsors are ready. Perhaps we should avail ourselves of the presence in the city of various people who are interested in these measures; and if they wish to be heard, we might arrange a meeting tomorrow of the Committee on Transport and Communications.

Hon. Mr. Haig: All the bills which came from the House of Commons have been passed without amendment. They could be passed, I assume, on Wednesday or Thursday.

Hon. Mr. Dupuis: Unless there are amendments.

Hon. Mr. Haig: I was present during the debate on those bills in the other place, and I do not believe there will be any amendments.

Hon. Mr. Robertson: I will do anything I can to facilitate the progress of these bills.

Hon. Mr. Haig: Will the pipe line bills be printed by tomorrow morning? Perhaps I should address my question to the honourable senator from Toronto (Hon. Mr. Campbell), who seems to be well-informed about them.

Hon. Mr. Campbell: I cannot say that they will be ready by tomorrow morning.

Hon. Mr. Haig: We cannot pass them unless they are.

Hon. Mr. Crerar: I may say that the Western Pipe Lines Bill is printed.

Hon. Mr. Haig: I know that.

Hon. Mr. Robertson: I am inclined to think, without being certain of it, that all of them follow very closely the pattern of the original bill.

Hon. Mr. Haig: I am very willing to facilitate action on this legislation. I think I have made that clear. But I cannot undertake to consider a bill tomorrow if it has not been printed. I have got to read it. If I may be permitted, I would mention an instance in point. Some objections have been made to the use in the bills of the word "internationally". I am not saying that it should or should not be used, but I want to know how it is used, and what is its legal effect. In my part of the country there are people who fear that under this measure gas and oil required in Saskatchewan, in Manitoba and perhaps as far east as Fort William, will be shipped to the United States. I want to be sure that the bills will not have that result.

Hon. Mr. Robertson: It seems to me that some progress can be made tomorrow morning; and if any honourable senator feels that there is insufficient information before the house in respect of any bill, I have no intention of asking the house to consider it.

The motion was agreed to, and the Senate adjourned until tomorrow at 11 a.m.

THE SENATE

Tuesday, April 26, 1949

The Senate met at 11 a.m., the Speaker in the Chair.

Prayers and routine proceedings.

BUSINESS OF THE SENATE

Hon. Mr. Robertson: Honourable senators, in response to the reasonable request of the leader of the opposition (Hon. Mr. Haig) that bills should be printed before they are considered by this House, I would state that three of the bills relating to the pipe lines are before us, and I am advised that the others will be received in due course. I should like to commend the employees of the Printing Bureau, who spent a good deal of time and effort last night in order to have these bills ready for honourable senators this morning.

PRIVATE BILL

SECOND READING

Hon. T. A. Crerar moved the second reading of Bill G-8, an Act to incorporate Western Pipe Lines.

He said: Honourable senators, this bill is not a stranger to this house. It will be recalled that it was introduced a year ago in a somewhat different form, and received second reading. The present modification of the form of the bill arises from the fact that general pipe line legislation has been passed in this house and is now before the other branch of parliament. Consequently, the powers asked for in the bill now before us are limited compared with those asked for in the measure introduced last year. The general pipe line bill follows the pattern of the Railway Act; therefore it is unnecessary for me to deal with it on this occasion.

Hon. Mr. Leger: My honourable friend would be out of order if he did so.

Hon. Mr. Crerar: No. I shall say to my honourable friend, who is an experienced parliamentarian, that I think I could find ways to refer to the other bill and still remain within the rules of procedure.

Hon. Mr. Leger: I doubt it.

Hon. Mr. Haig: I doubt it too.

Hon. Mr. Crerar: I am quite sure that the honourable leader of the opposition (Hon. Mr. Haig) will agree that the incorporators under this bill are well-known and reputable citizens of Winnipeg. They seek authority to build an interprovincial pipe line, and while the place of commencement and the termini of the pipe line are not mentioned in the bill, they will be shown in the application that will have to be made to the Transport Board when this measure becomes law.

The head office of the company is to be located in the city of Winnipeg.

The company seeks the right to operate aircraft and airdromes for use in its undertaking, this right being restricted entirely to the needs which may arise in the operation of the proposed pipe line. The company also seeks power to establish and maintain an inter-station communication system of telephone, teletype, telegraph and radio, for use between various points along the proposed pipe line. The company also seeks power to aid in the construction of dwellings for its employees, a power which is customarily given. Certain provisions of the Companies Act are made to apply. As will be more fully explained when the bill gets to committee, these powers are necessary in the undertaking.

The other provisions of the bill are quite in keeping with the powers that are needed by the company for the carrying out of its operations.

I do not think it is necessary to give a more detailed explanation at this stage. The bill will undoubtedly be sent to committee, where the sponsors will be able to give whatever additional information is required by honourable senators.

Hon. John T. Haig: Honourable senators, in speaking on this bill I find myself in a rather awkward position. As leader of the opposition, it is my duty to examine bills carefully and thoroughly, and to require proof of what are said to be facts. At the same time, as a senator from Manitoba, I am anxious that this bill should be passed; just as anxious, indeed, as is the honourable gentleman from Churchill (Hon. Mr. Crerar). I know the promoters of the bill, and while I presume that there are as fine men in other parts of Canada, I do not think there are any more genuine people to be found anywhere—even in Toronto or Montreal.

As I say, I am in an awkward position, because I have to look upon the bill from two sides. I think the best thing for me to do at the present time is to say nothing about it one way or the other, but to wait till the bill gets to committee and then see how it appears to me after we have more detailed information about it.

I think honourable senators, that three of the western provinces, probably four—and maybe western Ontario as well—are very desirous that this bill and the other pipe line bills that are to come before us should be passed. This is the first time that our western part of the country has had an opportunity to develop an industry on an economic-

ally sound basis; that is to say, where we have not only the natural production but the organization and everything else required to make an economic success of the venture. We have an opportunity to develop cheap gasoline and oil, and various by-products. Personally, I am very enthusiastic about the future of Alberta, by reason of the oil discoveries there. I believe that the undeveloped oil resources of Alberta are just being tapped now, and that in time it will prove to be one of the richest, if not the very richest, of the provinces of the Dominion.

However, as in all new developments, certain problems arise. Oil production in the West will mean stiffer competition for the coal produced there. If oil is allowed to flow by pipe line from Alberta to Fort William, as I believe it will, there must naturally be a reduction in the consumption of western coal. In the city where I have the honour to live there are three or four central heating plants whose principal fuel is the cheap lignite coal of the West. If oil can be brought in from Alberta at the price that I think will obtain, the coal consumption in my city will of course be cut very considerably.

I want to congratulate the leader of the government (Hon. Mr. Robertson) upon his decision to have the Senate called back from the Easter recess a week earlier than had at first been intended. He put the blame on me. All I did was announce on February 7 that there would be a Dominion election on June 27.

Some Hon. Senators: Hear, hear.

Hon. Mr. Haig: I have been accused of getting information from the leader of the government, but he did not know whether June 27 was a Sunday or a Monday.

Hon. Mr. Howard: You did not tell us where you got the information.

Hon. Mr. Haig: I was quite willing to come back to Ottawa yesterday to do my part in putting through the bills now before the house. The people of western Canada have asked us to do everything possible to see that the bills are fully discussed in this house and receive proper consideration in committee, and that they reach the other place in time to be passed before Parliament dissolves.

We in this country will face some difficulty in the future in the marketing of our products. No matter what government comes into power after June 27, its biggest problem will be the marketing of our grain and other products of that nature. By the passage of the measures now before this house there will be established an industry which will give employment to thousands of people. It matters not what world conditions exist, there will always be a market for the products which this industry will produce. I am not one of those who fear a depression, but I do think we are going to face a buyers' market. I am, therefore, strongly in favour of an industry which will provide considerable employment.

My honourable friends on this side of the house who come from the Maritimes, Quebec and Ontario, perhaps do not appreciate the full significance of this legislation, but the four western provinces are heartily behind it, and I am sure my friend from Thunder Bay (Hon. Mr. Paterson), who, will benefit by it, realizes what it means. If we give the people of the West the representation they deserve, these bills will be carefully considered here, and will be sent to the other place in time to become law before the dissolution of parliament.

Hon. Arthur W. Roebuck: Honourable senators, I was rather disturbed to hear my honourable friend the leader opposite say that there was a conflict in his mind between his duty as leader of the opposition in this house and his desire for the passage of this legislation.

Hon. Mr. Haig: As a western senator.

Hon. Mr. Roebuck: I see no reason for such a conflict. As a judge has a right to rely upon counsel to produce evidence, cite law, and present argument, so has the government the right to depend upon the opposition to scrutinize and analyze legislation, and to point out weaknesses in it, if there be any. The duty of the leader opposite is to inquire; not to oppose when opposition is not justified. I think we should be able to rely on the opposition in this house to inquire carefully into these and all other measures, and if approval is justified, to approve of them; if not, to oppose them. I see no reason, therefore, for conflict in the mind of my friend, or why he should withdraw any of the scrutiny which is expected of him.

I should like to make one point in connection with the particular bill now before us, and it will apply also to similar measures to follow. The leader opposite has just said that he hoped the prices to be charged for the gas and oil products would be reasonable, or words to that effect. It seems to me that when legislative power is sought to enable companies to construct works of this kind, which are monopolistic in character, some inquiry should be made as to the price at which the commodity is to be sold. Pipe line companies are given special privileges, such as the right to cross roads and expropriate lands. They are in their nature public utility corporations, and it may be that some

provision should be made with regard to the use—or perhaps the abuse—of powers that we confer on them. I know that a corporation of this kind has not the last word by any means; considerable authority in connection with these matters is in the hands of the provincial governments. But when parliament incorporates a railroad, the company is subject to a careful and complete supervision of its rates by a government board. Is any such protection provided for the public in the case of these oil companies? They secure a monopoly of a particular source of oil. Thereby they become private owners of natural resources, gifts of the Creator, which they themselves have not created but have only discovered or bought from the discoverer: they exercise exclusive rights and powers: they are not subject to competition in the sense to which the ordinary producer or trader of any commodity is exposed to it: and I wonder whether the requisite and proper steps are being taken for the protection of the public in relation to the sale of the product.

Hon. W. A. Buchanan: It had not been my intention to say anything on this particular measure, which is similar to a number of others that will come before the Senate this morning, but as the leader of the opposition (Hon. Mr. Haig) has referred to the potential effect in providing employment, I think I should mention that in my province, at any rate, there is great concern amongst the coal miners about unemployment. They fear that if gas is carried to Saskatchewan and Manitoba, particularly to the larger centres, they will be deprived of markets for coal, in which they have done considerable business over many years. I am not arguing that progress along this line can be retarded simply because of that feeling of apprehension; the government of Alberta has to decide how much gas shall leave the province; but my suggestion is that the federal government, in association with the provincial government, should urge the National Research Council to make a study of the purposes for which coal can be used. We know that in Europe coal is utilized in many other ways than as fuel. If there is a threat of unemployment in the coal mining industry in the province of Alberta, which possesses great coal resources, and is, I believe, the greatest coal-producing province in the Dominion—the two governments should endeavour to find other means of using that coal, so as to continue the employment of the men who are now working in the mines of the province.

As I have said, my remarks are prompted by the suggestion that these developments will provide considerable employment, because I can see where they are likely to create also a very considerable amount of unemployment.

Hon. Mr. Crerar: If there is no further discussion, I should like to say a word about the point raised by the honourable member from Toronto-Trinity (Hon. Mr. Roebuck). Under the general pipe lines bill the Board of Transport Commissioners will have the same authority over the rates chargeable for the transmission of oil and the services rendered by an oil transmission company as they have in respect of railway rates. Part III of the general bill deals with gas lines. It is true that in respect of gas lines similar supervision is not exercisable by the Board of Transport Commissioners, but that omission, I understand, is for a very good reason. The distribution of gas in a city like Winnipeg, for instance, the rates to be charged for it, and the conditions of distribution will be effectively under the control of the Public Utilities Board of Manitoba, and the company will have to justify its rates and its services to that board, which holds public hearings.

In regard to the other end of the operations, which is the gathering end, I am informed that the conditions of purchase of gas will be subject to the laws of Alberta, whose very wise and necessary conservation laws will apply to this company when it gets into operation and begins to buy gas in any part of the province. So the point raised in this connection, which is very important and very pertinent, is, I think, adequately covered.

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

SUSPENSION OF RULE

Hon. Mr. Crerar: I move that Rule 119 be suspended in so far as it relates to this bill.

The motion was agreed to.

REFERRED TO COMMITTEE

Hon. Mr. Crerar moved that the bill be referred to the Standing Committee on Transportation and Communications.

The motion was agreed to.

PRIVATE BILL

SECOND READING

Hon. Norman P. Lambert moved the second reading of Bill B-8, an Act to incorporate Interprovincial Pipe Line Company.

He said: Honourable senators, I should like to point out at once that this bill relates to oil and not to gas. It concerns a surplus of Alberta oil that is ready to satisfy the domestic Canadian market and the economic

needs of this country in its search for foreign markets. I feel it is a distinct honour to be associated with a bill that may be regarded as pioneer legislation in the development of natural resources that have already attracted the attention of the world to the great province of Alberta.

While we rejoice with Albertans in the splendid future that has been opened up to them by the rich discovery of oil in the northern part of their province, we are also conscious of the great national value of that oil. Oil is now being discovered in Alberta in quantities that far exceed the requirements of the western provinces, and there is the prospect that it will even exceed the requirements of the whole of Canada. Therefore this natural product becomes a very important factor in estimating Canada's international trade, particularly in its relation to the financial exchange considerations that exist between this country and the United States.

This legislation is based upon three bills, one of which is the Pipe Lines Bill that was passed by this house just before the Easter recess, and which is now being considered in committee in the other place. As honourable senators know, the Pipe Lines Bill was based upon the Railway Act, therefore the first part of this present bill must be read in conjunction with that Act. The last part of the bill must be read in conjunction with the Companies Act, which has to do with the incorporation of a company, its financing, and its borrowing power.

I do not intend to take up the time of the house with any detailed consideration of sections 7 to 11 of this bill, which relate particularly to the financing of this corporation. Certain sections of Part III of the Companies Act have been eliminated and other sections of Part I have been applied. The object has been to make the financing of the capital structure of this company more flexible and to facilitate its borrowing power. Sections 1, 2 and 3 of the bill are formal. Section 3, which deals with the capital stock of the company, should be of particular interest to this house, because it indicates the potentiality of the undertaking that is represented in this legislation.

The principal concerned with this legislation is the Imperial Oil Company. This company has been more closely associated with the development of oil in Alberta than any other agency. It has secured a much larger area of leaseholdings and has discovered more oil than its competitors. Parliament has been given an estimate of the future possibilities of the pipe line company. As honourable senators will notice, the capital stock of the company will be $200 million divided into four million shares having a par value of $50 each.

Hon. Mr. Haig: Will my honourable friend permit a question? I do not know all the people mentioned in paragraph one of the bill. Are they all officers or directors of the Imperial Oil Company.

Hon. Mr. Lambert: I think I am correct in saying that all the people whose names appear in section 1 are definitely connected with the Imperial Oil Company.

Hon. Mr. Davies: I see that all the officials are from the city of Toronto, and that section 4 provides that the company may, by bylaw, change the place where its head office is to be situated. The honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) has referred to the jurisdiction of the provincial governments in connection with pipe line legislation. If this bill becomes law, would the Government of Alberta be able to do anything to nullify it?

Hon. Mr. Lambert: I think this is the first bill to come under the provisions of the pipe lines measure that we passed earlier this session. The interprovincial distribution of oil, like the interprovincial distribution of any other natural product in this country, is a matter of federal jurisdiction. I suppose it would be possible for the province of Alberta, through control of its own natural resources, and under that section of the British North America Act which deals with property rights, to place restrictions upon the distribution of oil elsewhere. However, I think it stands to reason that the province does not want a great surplus of oil lying around ready to be burnt, as happened in the case of the Atlantic-Pacific wild well at Leduc. That danger always exists where there is a surplus of inflammable products. I think the economic reasons involved are also obvious. I have no reason to believe that anybody in Alberta would not encourage to the utmost the construction of a pipe line that will give a free outlet for this product that is being found in increasingly large quantities in the northern and southern parts of the province.

In placing the capitalization of this company at $200 million, the present estimate of the possible cost of the future construction and extension of this pipe line has been taken into consideration. The first and immediate need in connection with this work will be a line from Edmonton to Regina, and after that to Winnipeg. The estimated cost of the line from Edmonton to Regina is $30 million to $35 million. Costs of constructing the line farther will depend upon factors relating to available markets, and particularly to the competitive factor in those markets. Pro-

jection of the line to Winnipeg is necessary because of refining facilities there. Of course, if oil production is to proceed apace in those wonderful areas of northern Alberta, it is necessary to reach refining centres.

The estimated daily usage of oil in western Canada at present is 60,000 barrels, and the daily refining capacity of the refineries there is roughly 55,000 barrels. It is conservatively estimated that before the end of this year the production in the Alberta field alone will be 100,000 barrels a day, so Alberta will have a daily surplus of 40,000 barrels available for distribution through this pipe line.

Hon. Mr. Burchill: May I ask the honourable senator a question? When he spoke of the consumption being 60,000 barrels a day, what area did he have in mind?

Hon. Mr. Lambert: I was speaking of the western provinces, from Manitoba to British Columbia. Their present daily consumption is 60,000 barrels.

Hon. Mr. Burchill: Is that the three prairie provinces?

Hon. Mr. Lambert: The three prairie provinces and British Columbia. The daily consumption in the whole of Canada at present is approximately 290,000 barrels. From present indications it is not at all extravagant to say that this field has every promise of producing eventually more than enough oil to supply all the needs of Canada. That is three times as much as the productive capacity that is definitely indicated for this year. I am not saying that Alberta oil will flow eastward within the boundaries of Canada to supply the needs of the central and eastern provinces. In order to be economically produced and distributed, Alberta oil will have to find its most economic markets. It is no secret that the surplus production will find a market in the western and central parts of the United States. At present the exact point at which the pipe line will cross the international border is not known, but it will probably be either at the head of the Great Lakes or in the vicinity of Minneapolis, at the head of the Mississippi River.

In any event, the factors in connection with this development are so fundamental and simple that they really need no elaboration to members of this house. It should be pointed out, however, that the benefits which will come to local consumers in middle western Canada are also important, for of course, as the quantity of oil and gas distributed through the pipe line is increased, competitive factors will come into play and local consumers will be able to purchase these products at lower prices.

The whole project of producing crude oil in Alberta and finding wider distribution for it through this pipe line can be simply described as, first, a means of permitting the movement of Alberta oil into new markets, at the same time maintaining a fair value to the producer and providing incentive for further exploration and, in the second place, as a means of opening up such additional markets that the consumer in the areas tributary to the producing field will benefit by the lower competitive price. All the surplus oil from Alberta may eventually find its way into the central and western areas of the United States, and if this happens the quantity of oil that is now being shipped to Western Canada from the east would be more economically distributed along the Atlantic coast and in Eastern Canada. As the general supply would be larger, consumers of oil throughout the country would stand to benefit.

Hon. Mr. Dupuis: May I ask if there is any arrangement whereby the refining of this crude oil will be done entirely in Canada? And if so, where would the refining plants be located?

Hon. Mr. Lambert: The gasoline consumed in Canada is being refined here now, and this would continue to be done. Surplus crude oil would of course be sent outside the country. At the present time there are refining plants in western Canada at Edmonton, Calgary, Regina and Winnipeg. What the refining capacity of these plants may be in the future I cannot predict, for that will depend upon factors relating to the business.

I think I have said all that it is necessary for me to say just now. I have made no reference to the sections of the Companies Act incorporated in the bill, as I think an examination of those sections would be more appropriately made in committee.

Hon. John J. Kinley: Honourable senators, the bill now before us and other similar bills are very important. We all are aware of the circumstances which make these bills necessary, and it seems to me that it might be well at this time to ventilate certain ideas. For instance, can anyone conceive of a government-controlled industry having the initiative to carry on exploration and do all the other preliminary work required to bring about the success of a great development such as is now under way in Alberta? What is happening in this country is similar to what has taken place in the great republic to the south of us during the past several decades. On this continent, where the standard of living is high and the development of resources extensive, I think we can be assured that free industry is creative and desirable.

There is perhaps some concern because of the threat of big business. I never was opposed to big business as such, but I like to

see a distribution of industry. There are times, however, when we should be most thankful for big industry with resources to explore and do things that otherwise could not be accomplished. As you know, healthy big industry is made possible by many people all over the country with confidence enough to put their money into development projects. To that extent I think the Imperial Oil Company should be congratulated for its successful developments in the province of Alberta.

The senator who proposed this bill has said that it is pioneer legislation. That is of course true, but it is also progressive legislation. The measures now before this house are for the purpose of making these natural products of gas and oil available and thus more saleable to the people of Canada and, I hope, to the world at large. In considering the piping of these products to the head of the lakes, the importance of the development of the St. Lawrence waterways to the industrial life of the country flashes across my mind. Because of the far-reaching effect of these measures we should attempt to make them models of legislation, giving proper privileges to those who are risking capital, and who with technical skill are doing the things that should be done for the development of our natural resources. At the same time the legislation should be such as to properly serve the people of Canada, in keeping with present-day ideas and methods.

True, the establishment of these pipe lines is monopolistic, in the same way that the tramways system of the city of Ottawa is monopolistic. For instance, two roads cannot parallel each other too closely, because it is not economic for them to do so. But with this monopoly should go control, so that while the investors are assured of fair returns, no unfair advantage is taken or undue privilege given.

I have been connected with legislative activities since I first entered the legislature of Nova Scotia, thirty-five years ago. I took part in the discussion of the British Empire steel legislation and many measures affecting the production of coal in that province, and I know how careful we must be not to give too much power to promoters. Companies will always ask for more than they should get. Rarely have I seen a company come to a legislative body and not ask for everything possible. It is very important, therefore, that in a moment of enthusiasm we should not go too far. I remember that in the Nova Scotia legislature, when the British Empire Steel Company was being formed, it was pointed out to us that we were on tidal waters and that the company could trade with South Africa and the world at large; but I do not know of much export trade having resulted as time went on.

Few of us know very much about the bills now before us, and we should not take too much for granted. These bills are being introduced in the Senate, and will go to the other house. Let us give the lead to that body in a way that is not narrow or parochial, but let us see that the public interest is protected. We must appreciate that this oil industry is for the most part located in one province. It is important that that province shall not over-tax the industry in such a way that the rest of the people of Canada will be penalized. We know that Alberta has received millions of dollars from royalties, and will receive millions more, and we must ask her not to try to get too much from the rest of Canada: we must be assured of a good article at a fair price, and a proper distribution of prosperity throughout Canada.

When I was visiting the West Indies recently I spent a few days at Trinidad. My firm manufactures internal combustion engines. While in Trinidad I learned that there was no market for my product there for two reasons: first, the exchange situation. It is very difficult to get Canadian dollars from the West Indies for any product except food —and second, the price of gasoline. I learned that gasoline was selling in this producing area at from 55 to 60 cents a gallon. I believe that the same interests that produce gasoline in Canada are operating in Trinidad. Why in the world should gasoline sell there at from 55 to 60 cents a gallon? The price of crude oil also is high. The reason for the high cost of gasoline is largely due to taxation. But the price there affects my associates and myself operating in Canada, because we cannot sell our products to the fishermen and the marine interests in that country. Instead of using gasoline engines the boatmen use big sweeps, or oars, as they did years ago. With such examples before us, I think we should be most careful in our consideration of this legislation. We want legislation that is useful and progressive, and that will be of benefit to all. The very fact that it is of a pioneer nature should suggest caution on our part.

Recently, on a ship on which I was sailing I met an Imperial Oil man who was receiving frequent reports about the developments in Alberta. He was very enthusiastic about it, and said that it was the greatest oil development that had yet taken place on the American continent, with perhaps one exception. He said that it would mean that Canada would be selling exchange to the United States, instead of requiring an austerity program to maintain her balance of trade.

I read an editorial in this morning's Ottawa *Journal* to the effect that the supply of oil in Alberta indicated that we were a fortunate people. Americans I have met tell me that

by reason of the iron of Labrador and the oil of Alberta they look upon Canada as an ideal place to invest their money, and they are sure that a large investment of American capital will be made in this country. All of these things are very hopeful and pleasant at this time.

We look back to the day when for transport purposes we used horses, which required feed from the farms. It presented a healthy financial picture. Later the buying of automobiles and of gasoline was a drain on our financial resources; we were concerned about our money going to the United States for such purposes, but now we have reached the time when we may well produce iron and oil for our own industrial development. My deskmate said to me, "Until something happens to gasoline we ought to be in pretty good shape". I said, "The only thing that could happen is the development of atomic power, and if atomic power takes the place of gasoline we shall still be in a good position, because we are well in the foreground in the development of atomic energy". So at this morning session, with this legislation going forward, we can feel that as a country we are in a fortunate position, and can truly say, paraphrasing the words of the psalmist: we have a goodly heritage, and our lines have fallen in pleasant places.

Hon. A. W. Roebuck: Honourable senators, may I congratulate the honourable member from Queens-Lunenburg (Hon. Mr. Kinley) on a safe return from his Marco Polo expedition, and add that he is very welcome back in this chamber.

In response to some of his remarks, I suggest that what is important is, not the powers that are given to the company, but the use that is made of the powers. There are those who continually advocate the control of companies through their corporate powers. It is scarcely possible to do that. You do not control the speed of an automobile by limiting the amount of its power; you permit power to be supplied and expect the owner to exercise it lawfully, moderately and in the interests of himself and the public generally. So it is with the incorporation of companies; it is impossible to control their operations through their field of incorporation. Later on, no doubt, such legislation as is necessary will be passed to provide for the points my honourable friend has mentioned.

Many matters related to this bill might be inquired into, but at the moment the only objectionable thing I see is the name Interprovincial Pipe Line Company. This name is descriptive, but it is not distinctive. There will be many interprovincial pipe lines. The line from Montreal will be interprovincial; perhaps all the lines will be interprovincial. This bill appropriates to one particular company an adjective which applies to all or nearly all companies of this kind; and because there are many interprovincial pipe lines, the name does not specifically indicate this particular organization. I wonder whether the department approved the name. Even though it has, I think the committee should go into the subject with care and insert some word, perhaps between "Interprovincial" and "Pipe Line", which will have the effect of distinguishing this company from all others of a similar type.

Hon. Mr. Euler: I should like to ask a question which is of some importance, and the answer to which I probably should know, but I have not yet read the bill. I think it is within the competence of the Transportation Commission to order running rights over any railway in the country. I wonder whether the same principle is to be applied in the case of pipe lines, so that other companies which are producing oil in Western Canada may be given authority to transport their oil through this particular line.

Hon. Mr. Lambert: In the pipe lines bill, which is now being considered by a committee in the other place, there is incorporated the feature of common carriage, so that the common carrier provision is applicable to this bill.

Hon. Mr. Euler: That answers my question.

Hon. Mr. Lambert: The answer to the point raised by the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) is this. The bill was prepared with a good deal of care and thoroughness, and is the result of co-operation between the solicitors of the company affected, our own legal adviser, and the legal advisers of the Department of Transport and the Department of the Secretary of State, the idea being to make it as workable as possible. There is something in what my honourable friend says about having as individualistic a name as possible; but as he knows, although we have tried hard in another field, that of a Canadian flag, it has been found difficult to select a distinctive emblem.

However, we will give some thought to the question he has raised, with a view to having a name which will appropriately connote the functions of the company.

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

SUSPENSION OF RULE

Hon. Mr. Lambert: I move that rule 119 be suspended in so far as it relates to this bill.

The motion was agreed to.

REFERRED TO COMMITTEE

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

The motion was agreed to.

PRIVATE BILL

SECOND READING

Hon. J. G. Turgeon moved the second reading of Bill C-8, an Act to incorporate Alberta Natural Gas Company.

He said: Honourable senators, because of the excellent discussion which has already taken place on two more or less similar bills which have just received second reading, I shall occupy very little of your time. If the Senate, in the interests of the people of Canada, kindly accepts the motion for second reading and permits the bill to go to committee, there will be present at the meeting of that committee directors and others interested in this company, who will do everything they can to answer questions and to supply all possible information. I am not a member of the Committee on Transport and Communications, but I intend to suggest to that committee that it hear two members of the Government of Alberta who happen to be in Ottawa at this time. I refer to Mr. Tanner, Minister of Lands and Mines, and Mr. Maynard, the Attorney General of Alberta. I think these gentlemen could shed considerable light upon this subject.

As to the general principle of the legislation, I was glad to hear what was said about coal, and particularly the suggestion of the honourable senator from Lethbridge (Hon. Mr. Buchanan) that the National Research Council study methods of using coal other than those that have come down to us through the ages. This same suggestion was made some years ago in the House of Commons Committee on Reconstruction and Re-establishment, of which I was chairman. I think the proposal is very appropriate at this time.

I am not worried about the coal situation from the standpoint of what will take place in Alberta and other parts of Canada because of the development of gas and oil and their by-products. It is definitely known that in the Cariboo district of northern and central British Columbia there are literally hundreds of millions of tons of coal waiting to be taken from the ground. However, lack of transportation has made it practically impossible to mine this coal with any success. One of the greatest natural water powers in all of Western Canada is to be found in the canyon of the Peace River, and I am certain that the entire Peace River country of British Columbia and Alberta is underlined with gas and oil.

By providing general pipe line legislation, I think the Canadian parliament is taking the steps necessary to the proper development of that western and northern country. Through the passage of these private bills, authorization is being given to certain groups of people who are willing to invest millions of dollars in order to bring about development in that country; and this is the best possible thing that could be done for the people of Canada.

Hon. Mr. Dupuis: Does my honourable friend wish to have recorded the evidence of the witnesses he has mentioned?

Hon. Mr. Turgeon: I should like very much to have the evidence recorded, but that is for the committee to decide.

Hon. A. W. Roebuck: Honourable senators, the comments I made about the last bill also apply to this one. This bill is to incorporate the Alberta Natural Gas Company. I suppose there are several natural gas companies in Alberta, and if there are not now, there may be in the future. I doubt the wisdom of allowing a company to appropriate the name of a province in such a way as to suggest that it is the only company of its kind in that province. It ought to be called the Brown, Smith, or Robertson Alberta Natural Gas Company, or the No. 1, No. 2 or No. 3, or could be lettered A, B, or C; but it should bear some title which would distinguish it from other natural gas companies in the province.

There is another matter about which I am a little foggy. I refer to the last section of the bill, which reads as follows:

> The company may pay a commission to any person in consideration of his subscribing or agreeing to subscribe, whether absolute or conditional, for any shares, bonds, debentures, debenture stock or other securities of the company, or procuring . . .

I think it is usually left to the bylaws of a company to provide for the payment of commissions. I wonder what significance there is in defining in a Dominion Act the power to pay commissions, which apparently are under provincial jurisdiction. I am not very clear about this matter, but it seems to me that this is a little unusual and should be studied in committee.

Hon. John T. Haig: I want to agree with my honourable friend from Toronto-Trinity (Hon. Mr. Roebuck) in his suggestion about the name of the company. He is absolutely right. We have had trouble with that sort of thing in the province of Manitoba.

I presume that the Parliamentary Counsel for the Senate will make reports on all of these bills, and place them before our committee when the bills are considered by it. In the past I have usually received copies of such reports, and I am just wondering if

they are being made now. Our Law Clerk is very able and impartial, and is most helpful to us, because he knows that what brings honour to the Senate brings honour to him. I should certainly like to see his reports.

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

SUSPENSION OF RULE

Hon. Mr. Turgeon: I move that Rule 119 be suspended in so far as it relates to this bill.

The motion was agreed to.

REFERRED TO COMMITTEE

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

The motion was agreed to.

DIVORCE BILL

SECOND READING

Hon. Mr. Haig: Honourable senators, I would ask permission of the house to take up at this time the last item on the Order Paper, a motion for second reading of a divorce bill. It is the last divorce bill that we shall have before us this session. I went to see the Chairman of the Private Bills Committee of another place, and he said that if the bill were passed by the Senate today it could be dealt with by that committee at its next meeting, which will be on Thursday morning. In the circumstances I should be glad if the honourable leader of the government would consent to my moving second reading of this bill now.

Hon. Mr. Robertson: Certainly.

Hon. Mr. Haig moved the second reading of Bill A-8, an Act for the relief of Jessie Kathleen Batiste Latter.

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

THIRD READING

Hon. Mr. Haig: Honourable senators, with leave of the house, I move that this bill be now read the third time.

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

PRIVATE BILL

SECOND READING

Hon. Mr. Robertson: Honourable senators, the next order is for the second reading of Bill D-8, an Act to incorporate Westcoast Transmission Company Limited, but this bill and the two following bills on the Order Paper have not yet been distributed.

Hon. Mr. Haig: I have a copy of Bill D-8 at my office.

Hon. Mr. Leger: The bills are not on our files here.

Hon. Mr. Robertson: Perhaps, until the bills are distributed, we could proceed with other orders.

Hon. Mr. Leger: Will these bills be in the same form as the other pipe line bills that we have already had here today?

Hon. Mr. Robertson: Yes, I believe they are in the same form.

Hon. Mr. Haig: I have the bill here now.

Hon. Mr. Lesage: It was in the mail box this morning.

Hon. Mr. Haig: I think we can proceed with the second reading.

Hon. G. P. Campbell moved the second reading of Bill D-8, an Act to incorporate Westcoast Transmission Company Limited.

He said: Honourable senators, not having a copy of the bill before me, I am slightly handicapped, but I may say that it follows the form of the other pipe line bills.

Hon. Mr. Haig: I will send my copy over to the honourable gentleman.

Hon. Mr. Campbell: It is not possible for any of these companies to become incorporated by letters patent, as the general Pipe Lines Bill, which we passed here just before the Easter recess, requires every pipe line company seeking Dominion incorporation to apply for a special Act of Parliament.

Hon. Mr. Leger: Is this company one of those whose stock is to have no par value?

Hon. Mr. Campbell: Yes. Section 3 of the bill provides:

> The capital stock of the company shall consist of five million shares without nominal or par value.

According to section 4, the head office of the company shall be at the city of Calgary, Alberta. The general powers sought by the company are the same as those mentioned in previous bills, namely, to construct and operate pipe lines and to acquire lands under the provisions of the general Act.

Hon. Mr. Buchanan: Is this to be a pipe line for gas and oil?

Hon. Mr. Campbell: Yes:

As in other bills, certain provisions of the Companies Act are incorporated for organizational purposes. It is also provided that certain specific sections of the Companies Act shall not be incorporated. The bill specifically empowers the company to issue preferred shares and to redeem such shares.

In this bill, as in the other bills, there is also a provision that the company may pay a commission to any person subscribing for stock. Some reference was made to this in the debate on the other bills. Unless there were such a provision in the bill the company would have no power to pass a bylaw authorizing payment of commission.

When the bill is in committee the sponsors will be present to give any further information required.

Hon. Mr. Haig: When the honourable senator from Ottawa (Hon. Mr. Lambert) was explaining his bill, he told us what company was sponsoring it. Will my honourable friend give us similar information with respect to the present bill? The names mentioned in the bill mean nothing to me.

Hon. Mr. Campbell: The sponsors of this bill are a group of independent operators who are at present engaged in exploration for gas and oil in the Province of Alberta. They are not associated with any of the large or small oil companies.

Hon. Mr. Kinley: May I ask the honourable gentleman whether these pipe line companies come under the control of a public utilities board or commission in any province and will the rates charged by the companies and their issues of stock have to be approved by any such body?

Hon. Mr. Campbell: I understand that in so far as gas is concerned the companies are under the control of provincial authority, but the pipe line business will of course come under the jurisdiction of the Board of Transport Commissioners. As to rates chargeable for distribution by pipe line, a provision in the general Act requires companies to file their tariffs with the Transport Board.

Hon. Mr. Kinley: In Nova Scotia and, so far as I know, in all other provinces, a business which is declared to be a public utility is required to have its stock issues, distribution of profits and so on, approved by a provincial board. We have been told that some of the companies sponsoring these bills distribute gas and oil. What I am more concerned about is water, which does not mix very well with oil. In fact, the kind of "water" I am referring to does not mix very well with anything. My experience shows that one of the main things we have to see to when considering legislation of this kind is that it prevents the introduction of too much "water" and makes it possible for people to get value for the money they put into the business. The time to make sure about that in connection with these pipe line companies is now. When the prospects of a company are very rosy there is a great temptation to allow "water" into its capital structure, and it must be remembered that every dollar paid for stock which does not represent value will cause the prices that must be paid by consumers of the company's products to be higher than they should be.

Hon. Mr. Leger: Does that apply also to products of the liquor commissions?

Hon. Mr. Kinley: Certainly it does. As a matter of fact, the most imprudent people are the ones who pay a high price for liquor. If I were giving a temperance lecture to those who drink, I would say to them, "You are very foolish, because on this liquor you pay a heavy tax to the government, which then spends your money for the benefit of other people." I do not want parliament to pass legislation permitting the capital structure of these pipe line companies to contain watered stock.

Hon. Mr. Campbell: I misunderstood the question of my friend. I thought it was directed to gas and oil, but since it refers to "water" I think I can satisfy the honourable gentleman.

Hon. Mr. Kinley: "Water" is a result.

Hon. Mr. Campbell: All of the provinces have certain security laws to which companies incorporated by special Act or by letters patent are subject, provided of course they aspire to any public financing.

Hon. Mr. Kinley: There is such a thing as falling between two stools. Is it possible that too many may have authority, with the result that no one has the controlling authority?

Some Hon. Senators: Question.

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

SUSPENSION OF RULE

Hon. Mr. Campbell: I move that rule 119 be suspended in so far as it relates to this bill.

The motion was agreed to.

REFERRED TO COMMITTEE

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

The motion was agreed to.

PRIVATE BILL

SECOND READING

Hon. G. P. Campbell moved the second reading of E-8, an Act to incorporate Trans-Northern Pipe Line Company.

He said: Honourable senators, this bill follows the same form as the bills previously before us. Without going into detail, I may

say that it is sponsored by the representatives of the McColl-Frontenac Oil Company, the British American Oil Company and the Shell Oil Company of Canada. It is a joint-venture undertaking, by which it is proposed that the companies shall have the power and authority, subject to the provisions of the general law, to construct pipe lines in Canada wherever it is deemed advisable. The capital of the new company is to be $25 million, consisting of 250,000 shares with a par value of $100 each.

The first project which this company contemplates is the construction of a pipe line between Montreal and Toronto, designed principally for the transmission of gasoline, but capable of handling other oil products.

It is interesting to note that following the discovery of oil in Western Canada, these large companies who have served the public are seeking to establish pipe line facilities for the transport of gasoline from Montreal to Toronto, where previously it was transported by water.

Without taking further time of the house, I just wish to say that the representatives of these sponsoring companies will be available for questioning when the bill is referred to committee.

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

SUSPENSION OF RULES

Hon. Mr. Campbell: I move that rule 119 be suspended in so far as it relates to this bill.

The motion was agreed to.

REFERRED TO COMMITTEE

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

The motion was agreed to.

PRIVATE BILL

SECOND READING

Hon. G. P. Campbell moved the second reading of bill F-8, an Act to incorporate the British American Pipe Line Company.

He said: Honourable senators, the incorporators of this proposed company are the solicitors for the British American Oil Company, and the sponsor of the bill is British American Oil Company. This company has extensive interests in the province of Alberta and is now carrying on a large exploratory program of drilling with some success. The company considers that in the near future it will be necessary to construct pipe lines to transmit oil from the producing wells to storage facilities and distribution points throughout western Canada and probably to other sections of the country as well.

This bill follows the form of the bills introduced previously, and differs only as to capital, which in this case is $1 million divided into 10,000 shares with a par value of $100 each. Representatives of the company who have full knowledge of what is proposed will be available for questioning when the measure reaches committee.

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

SUSPENSION OF RULE

Hon. Mr. Campbell: I move that rule 119 be suspended in so far as it relates to this bill.

The motion was agreed to.

REFERRED TO COMMITTEE

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

The motion was agreed to.

PRIVATE BILL

SECOND READING

Hon. C. B. Howard (for Hon. Mr. Hugessen), moved second reading of bill H-8, an Act respecting the Canadian Artillery Association.

He said: Honourable senators, the purpose of this bill is to bring present legislation up to date. It is proposed to change the name "The Canadian Artillery Association" to "The Royal Canadian Artillery Association", and to constitute it in such a way as to provide for the more efficient carrying on of its affairs in relation to present and future military organization in Canada. None of the provisions of this bill are of a controversial or contentious nature. It has been submitted to the Minister of National Defence, and he concurs in the proposed changes.

Hon. Mr. Haig: May I ask one question? This is really a private bill?

Hon. Mr. Howard: Yes.

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

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

Hon. Mr. Howard: With leave of the senate, now.

Hon. Mr. Haig: Is the honourable senator willing that the bill go to the Committee on Miscellaneous Private Bills?

Hon. Mr. Howard: Yes. I move that Rule 119 be suspended in so far as it relates to this bill.

The motion was agreed to.

REFERRED TO COMMITTEE

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

The motion was agreed to.

PRIVATE BILL

COMMONS AMENDMENT CONCURRED IN

The Senate proceeded to the consideration of an amendment made by the House of Commons to Bill I, an Act to incorporate Canadian Home Assurance Company.

Hon. Mr. Bishop moved the concurrence in the amendment.

Hon. Mr. Haig: What is the amendment?

Hon. Mr. Bishop: The company was given power to write insurance against what is called civil commotion—in other words, riot insurance. That is in addition to their other powers.

The motion was agreed to.

BUSINESS OF THE SENATE

Hon. Mr. Robertson: Before the Senate adjourns, I should mention that notices have been sent out stating that the Standing Committee on Transport and Communications will meet after the house rises, the suggested hour being 3 o'clock this afternoon. The Senate will not meet again today, but will sit tomorrow at 3 o'clock.

Hon. Mr. Dupuis: Has any step been taken to have a record of the proceedings of the committee?

Hon. Mr. Robertson: That is a matter for the committee itself to decide.

Hon. Mr. Dupuis: I understand that Senate approval is necessary before such action can be taken, and if the matter is deferred until the committee meets, it may be too late.

Hon. Mr. Robertson: I suppose that, if anybody so desires, affirmative action by the committee could be confirmed by this house.

Hon. Mr. Haig: That is not quite correct If a committee decides to publish and distribute reports of its proceedings, the consent of the house is necessary, but the committee on its own authority can call in reporters. Very often reporters are present at meetings of committees, and the proceedings are not published because publication is not desired.

Hon. Mr. Dupuis: I think a record of the committee's proceedings would be of great interest.

Hon. Mr. Haig: We can act upon that later.

Hon. Mr. Dupuis: Provided that there will be reporters present.

Hon. Mr. Leger: What the committee will be considering are private bills. I do not think there should be publication.

Hon. Mr. Robertson: It would be a matter for the committee.

Hon. Mr. Leger: It would be an expense, and to no purpose.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, April 27, 1949

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

Prayers and routine proceedings.

PRIVATE BILL

REPORT OF COMMITTEE

Hon. A. B. Copp presented the report of the Standing Committee on Transport and Communications on Bill G-8, an Act to incorporate Western Pipe Lines.

He said: Honourable senators, the committee have, in obedience to the order of reference of April 26, 1949, examined the said bill, and now beg leave to report the same without any amendment.

THIRD READING

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

Hon. Mr. Crerar: Now, with leave of the Senate.

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

PRIVATE BILL

REPORT OF COMMITTEE

Hon. A. B. Copp presented the report of the Standing Committee on Transport and Communications on Bill B-8, an Act to incorporate Interprovincial Pipe Line Company.

He said: Honourable senators, the committee have, in obedience to the order of reference of April 26, 1949, examined the said bill, and now beg leave to report the same without any amendment.

THIRD READING

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

Hon. Mr. Lambert: I move, with leave of the Senate, that the bill be read the third time now.

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

PRIVATE BILL

REPORT OF COMMITTEE

Hon. A. B. Copp presented the report of the Standing Committee on Transport and Communications on Bill C-8, an Act to incorporate Alberta Natural Gas Company.

He said: Honourable senators, the committee have, in obedience to the order of reference of April 26, 1949, examined the said bill, and now beg leave to report the same without any amendment.

THIRD READING

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

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

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

PRIVATE BILL

REPORT OF COMMITTEE

Hon. A. B. Copp presented the report of the Standing Committee on Transport and Communications on Bill D-8, an Act to incorporate Westcoast Transmission Company Limited.

He said: Honourable senators, the committee have, in obedience to the order of reference of April 26, 1949, examined the said bill, and now beg leave to report the same without any amendment.

The committee beg to call attention of the Senate to the provisions contained in clause 6, authorizing construction of a pipe line for the transmission of oil, which does not appear to have been contemplated in the notice published under the provisions of Rule 107.

THIRD READING

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

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

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

PRIVATE BILL

REPORT OF COMMITTEE

Hon. A. B. Copp presented the report of the Standing Committee on Transport and Communications on Bill E-8, an Act to incorporate Trans-Northern Pipe Line Company.

He said: Honourable senators, the committee have, in obedience to the order of reference of April 26, 1949, examined the said bill, and now beg leave to report the same without any amendment.

THIRD READING

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

Hon. Mr. Campbell: Now, with leave of the Senate.

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

PRIVATE BILL

REPORT OF COMMITTEE

Hon. A. B. Copp presented and moved concurrence in the report of the Standing Committee on Transport and Communications on Bill F-8, an Act to incorporate the British American Pipe Line Company.

He said: Honourable senators, the committee have, in obedience to the order of reference of April 26, 1949, examined the said bill and now beg leave to report the same with the following amendment:

1. Page 3, line 30: Delete "replacement" and substitute "repayment".

The motion was agreed to.

THIRD READING

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

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

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

PRIVATE BILL

REPORT OF COMMITTEE

Hon. A. K. Hugessen presented the report of the Standing Committee on Miscellaneous Private Bills on Bill H-8, an Act respecting The Canadian Artillery Association.

He said: Honourable senators, the committee have, in obedience to the order of reference of April 26, 1949, examined the said bill, and now beg leave to report the same without any amendment.

THIRD READING

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

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

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

PRIVATE BILL

REPORT OF COMMITTEE

Hon. Mr. Hugessen presented the report of the Standing Committee on Miscellaneous Private Bills on Bill Y-7, an Act respecting a certain patent application of Walter Oliver Beyer.

He said: Honourable senators, the committee have in obedience to the order of reference of April 4, 1949, examined the said bill, and now beg leave to report the same without any amendment.

THIRD READING

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

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

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

PRIVATE BILL

REPORT OF COMMITTEE

Hon. Mr. Hugessen presented and moved concurrence in the report of the Standing Committee on Miscellaneous Private Bills on Bill I-7, an Act to incorporate the National Spiritual Assembly of the Bahá'ís of Canada.

He said: Honourable senators, the committee have in obedience to the order of reference of April 4, 1949, examined the said bill, and now beg to report the same with the following amendment:

1. Page 2, line 10. Delete the word "exclusive".

The motion was agreed to.

THIRD READING

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

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

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

PRIVATE BILL

REPORT OF COMMITTEE

Hon. Mr. Hugessen presented the report of the Standing Committee on Banking and Commerce on Bill A-4, an Act respecting Guaranty Trust Company of Canada.

He said: Honourable senators, the committee have, in obedience to the order of reference of March 28, 1949, examined this bill, and now beg leave to report the same without any amendment.

THIRD READING

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

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

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

DIVORCE PETITION

REFUND OF PARLIAMENTARY FEE

Hon. John T. Haig: Honourable senators, with leave, I would move:

That the parliamentary fee paid upon the petition of Jean Keiller Clunas Martin for a bill of divorce from Alexander William Martin, be refunded to the petitioner, less printing and translation costs.

The reason for requesting the refund of the parliamentary fee is that the respondent has died.

The motion was agreed to.

NORTH ATLANTIC TREATY
INTERNATIONAL WHEAT AGREEMENT

DOCUMENTS TABLED

Hon. Wishart McL. Robertson: Honourable senators, I beg to lay on the table the following documents: The North Atlantic Treaty, signed at Washington April 4, 1949, and the International Wheat Agreement. Two copies in English and two copies in French of these documents are being tabled.

Hon. Mr. Crerar: May I ask my honourable friend if copies of the North Atlantic Treaty and the International Wheat Agreement are available for members of this house?

Hon. Mr. Robertson: I am reasonably certain that copies of the North Atlantic Pact can be obtained in pamphlet form, but I shall have to ascertain whether or not printed copies of the International Wheat Agreement are available.

JUDGES BILL

SECOND READING

Hon. Wishart McL. Robertson moved the second reading of Bill 234, an Act to amend the Judges Act, 1946.

He said: Honourable senators, I have asked the honourable senator from De Salaberry (Hon. Mr. Gouin) to explain this bill.

Hon. L. M. Gouin: Honourable senators, the purpose of this bill is to authorize the Governor in Council to increase by not more than six the number of judges of the Superior Court of Quebec.

Under section 48 of the Quebec Code of Civil Procedure, the Superior Court has original jurisdiction in all suits or actions which are not exclusively within the jurisdiction of another court. In fact, as all my confreres from my native province know, the Quebec Superior Court is the successor of the Conseil Souverain de la Nouvelle-France, or Conseil Supérieur. I believe that at the beginning of the British regime it was also called the Court of Common Pleas. At all events, it is our general court of original jurisdiction, and before it come the great majority of ordinary civil cases.

At the present time there are only thirty-seven judges serving on that court, and as a result very serious delays are occasioned. In the district of Montreal there are some 5,000 cases waiting to be heard, and a large number of them have been awaiting trial for a year and a half or more. The shortage of judges was referred to last Monday in the other place by the Prime Minister himself, and also by the Minister of Justice.

In the 1948 session the Quebec Legislature adopted legislation for precisely the same reason. Section 1 of chapter 16 of the Quebec Statutes of that year authorizes the Lieutenant Governor in Council to increase to six the number of puisne judges of the Superior Court of the province. The next paragraph in the section reads as follows:

> Notice of any decree passed under the preceding paragraph shall be published in the *Quebec Official Gazette*.

The bill before us simply authorizes the Governor in Council to appoint additional judges, after the provincial legislation just referred to has been proclaimed, which so far has not been done.

Section 96 of the British North America Act provides:

> The Governor General shall appoint the judges of the Superior, District and County Courts in each province, except those of the courts of probate in Nova Scotia and New Brunswick.

Section 92 of that Act gives the provincial legislature exclusive jurisdiction in relation to various matters, including, in particular, the following, mentioned in subsection 14:

> The administration of justice in the province, including the constitution, maintenance, and organization of provincial courts, both of civil and criminal jurisdiction, and including procedure in civil matters in those courts.

From this it follows that the Quebec Legislature has authority to increase the number of judges in the province.

The Bench and Bar in Quebec are desirous that appointments should be made at the earliest possible moment, in order to overcome the acute shortage of judges. The situation caused by this shortage is especially bad in Montreal, where thousands of cases have been piling up and awaiting trial for eighteen months or more. Our people at large are entitled to have their legal disputes heard by the courts without unreasonable delay. If the present bill is not passed at this session, the Governor in Council will not be able to appoint additional judges until parliament meets again. I am sincerely convinced that the interests of justice make it urgently necessary to have the bill passed at the present session. By adopting the bill we shall be doing everything in our power to remedy the present situation, which speaks for itself much more eloquently than I can do.

Hon. Mr. Haig: May I ask the honourable gentleman a question? I am not opposing the bill, but I have never been able to understand why there are so many Superior Court Judges in the province of Quebec. In Ontario, for instance, the total number of Supreme Court Judges, including members of the Court of Appeal and of the High Court of

Justice, is only about twenty-five. The province of Manitoba has five judges on the Court of Appeal and six in the trial division, the Court of King's Bench. Saskatchewan and British Columbia each have, I think, five judges on the Court of Appeal and seven trial judges. I know that in the provinces other than Quebec there are county or district courts as well as the higher courts; but can the honourable gentleman explain to me why Quebec has on its Superior Court Bench three or four times as many judges as any other province?

Hon. Mr. Gouin: I have not had an opportunity to study the system in other provinces, but in Quebec even very small cases are brought before the Superior Court. Some people have the idea that the tribunal known as the Superior Court of Quebec is an appeal court. This is not so; it is a court of original jurisdiction. Generally speaking, in districts other than Montreal all cases involving an amount over $200 come before the Superior Court. Indeed, when I began to practise law the Superior Court had jurisdiction over all cases involving $100 or more. If we had other courts to deal with claims up to $500 there would be a great reduction in the work of the Superior Court. The only explanation I can offer to the honourable leader of the opposition is that our Superior Court is required to decide many cases of less importance than those dealt with by corresponding courts in the other provinces.

Hon. Mr. Leger: Have you the County Court system in the province of Quebec?

Hon. Mr. Gouin: Our system in Quebec is entirely different from that in any of the other provinces. Minor cases, involving amounts below $200, come before the District Magistrate's Court.

Hon. Mr. Leger: In New Brunswick and the other provinces we have what are known as County Courts.

Hon. Mr. Nicol: We have no such courts in Quebec.

Hon. Mr. Haig: I do not think that a judge drawing $12,000 a year is required to deal with cases up to $500. County Court judges, who are appointed in all the provinces other than Quebec, are now paid a basic salary of $6,600 a year, and I have often wondered why someone in Quebec did not suggest the appointment of County Court judges for that province. In Manitoba we have eleven such judges, with jurisdiction in cases up to $800. It costs Canada an awful lot of money to have Superior Court judges doing work that could be done by judges of lower rank. The County Court system not only saves money to the public treasury, but as the courts are scattered throughout the province litigants do not have to travel long distances from their homes. That system is much less expensive and more satisfactory to litigants. In Manitoba we have the Magistrate's Court, and what we call the Small Debts Court, with jurisdiction up to, I think, $200. Those courts are presided over by magistrates appointed by the province. The four western provinces have District Courts which are close to the people.

As a lawyer, perhaps I should not speak against this measure, but I do not honestly believe that a man who hears cases involving claims of $500 should be paid $12,000 a year. That is not in keeping with the system in other provinces. My friend from New Brunswick (Hon. Mr. Leger) and the others, will agree with that. I take this opportunity to ask why the province of Quebec does not attempt to remedy conditions and prevent a jamming of business in its courts. Honourable senators know that because of witnesses being sick, and for many other reasons there are sometimes long delays in getting cases on for trial in a big city.

In the province of Manitoba we have six trial judges and five on the Court of Appeal. We could get along with three appeal judges, but with five we get better judgments and prevent many appeals being taken to the Supreme Court of Canada. Our six trial judges, while they are busy enough with divorce cases and other business, are not overworked. We have about one-fifth the population of the province of Quebec, which would mean that in proportion that province would have thirty trial judges.

I wonder why Quebec cannot adopt the system of county or district courts. As I have said, it brings the courts nearer the people, and is much more satisfactory. My suggestion is made with a view to reform and not to changing the law. When a poor man has to travel a long distance to the city to have his case heard, he is scared out. Under the system in Manitoba no one is scared out. We have eleven districts, four in Winnipeg, and one each in St. Boniface, Brandon, Morden and other places around the province. Saskatchewan has the same system, but with eighteen district courts. All of the people have not the fighting spirit of my friend from Blaine Lake (Hon. Mr. Horner). The people in Saskatchewan do not fight very often, and there are too many courts. That province could get along very well with nine districts.

I think the Minister of Justice should be asked to approach the Attorney-General of Quebec when the general election is over—though the honourable leader of the government has not told us that there will be an election—

Hon. Mr. Howard: You told us.

Hon. Mr. Haig: But my friend has not confirmed it. I suggest that some attempt be made to get something similar to what we have in the western provinces. I think the County Court system would be much more satisfactory to the ordinary people of the province of Quebec.

Hon. Lucien Moraud: Honourable senators, I wish to say to my honourable friend that while the court in Manitoba may be very good, we are proud of our Quebec courts. Our system is not as bad as my honourable friend may think. We have the Magistrate's Court, the jurisdiction of which has been recently increased to, I think, $400. Our Superior Court does not sit only in the cities of Montreal and Quebec. Our province, like Manitoba, is divided into districts, and there is a Superior Court judge for each district.

Hon. Mr. Leger: How many districts are there in Quebec?

Hon. Mr. Bouffard: There are eleven Bar Associations, but there are more than that number of districts.

Hon. Mr. Moraud: We have enough districts for the sound administration of justice. Those districts were established years ago, when travel was more difficult than it is now. Some of the districts which are close to large cities could be abolished. For instance, Montmagny was at one time a very prosperous district for lawyers, but today there are only two there, because litigants would rather go into the city of Quebec to have their cases heard. For each district there is a Superior Court judge who visits the district once a month, twice a month, or as often as is necessary.

Hon. Mr. Leger: It is what the other provinces call the Circuit Court.

Hon. Mr. Moraud: No, we abolished the Circuit Court. This is our great court of first jurisdiction. It was established by provincial statute, under the British North America Act, and the judges were at one time named as judges of the Superior Court for a designated district, such as Montmagny or Rimouski. That system has been varied somewhat because of the feeling that a judge sitting in the same place over a period of time might be inclined to show partiality. Now the judges are appointed to the Superior Court of the Province of Quebec, and at the beginning of each year the Chief Justice of that court assigns one judge to each district.

Hon. Mr. Leger: That is the same system as is followed in New Brunswick.

Hon. Mr. Moraud: These judges of the Superior Court administer justice in the various districts, and there are no complaints.

Hon. Mr. Horner: Why are the courts so far behind in their work?

Hon. Mr. Moraud: Well, the city of Montreal, for instance, is a much larger centre than Prince Albert, and of course there are a great many cases to be heard.

I do not approve of the policy of appointing judges as heads of commissions, with the result that they are removed from their Superior Court duties for months and sometimes years. I think the Superior Court judges should remain to preside over their courts.

Hon. Mr. Haig: Hear, hear.

Hon. Mr. Moraud: The practice of giving them other duties may be the cause of delay in the hearing of cases in cities like Montreal. I do not believe, however, that the delays in the other districts of the province of Quebec are serious. I think this law is intended mainly for the District of Montreal. On the whole, I believe, our system is not a bad one. We have a Superior Court and also a Magistrate's Court which has civil jurisdiction up to $400, as well as criminal jurisdiction; and each magistrate has to preside in the district for which he is appointed, so justice is always available in that district.

Hon. P. H. Bouffard: As the Batonnier of the Province of Quebec, I think I should say a word about this bill. The measure is one upon which the government should be warmly congratulated. For over a year the various Bar Associations of Quebec have been pressing the provincial and dominion governments for the appointment of more judges. The situation in Montreal is critical: there is now a backlog of over 4,500 cases in that district. If you begin a suit in the Superior Court of Montreal, after the case is inscribed for hearing it is more than two and a half years before it can come to trial. If a defendant enters a plea merely for the purpose of delay, under present conditions he is assured that it will be two and a half years before the case can be heard. The situation is so bad that the people of Montreal are trying to find other ways of getting justice. A client who goes to the office of a lawyer to start an action, when he hears that it will not come to trial before two years and a half, is not likely to proceed with it unless he is absolutely obliged to do so. So the Bar Associations, the Boards of Trade and other organizations interested in justice in the Province of Quebec have made representations through their officers for the appointment of more judges. These representations were made not only to the Canadian Government but to the provin-

cial authorities, within whose competence it is to determine the number of judges who shall have jurisdiction in each district. The government has decided that it is necessary to have more judges to serve Montreal; and all the surrounding districts, which rely on Montreal judges to go and sit in their courts, have been supporting the proposal, because judges have not been available to them to render justice and make decisions.

As for the necessity of having more judges in Quebec than there are in some other provinces, I quite agree that the number in our province is larger than in others. But the reasons are obvious. First, in other provinces the Master does a lot of work in making decisions in matters of practice, in rendering justice in *ex parte* cases, and in drafting judgments; whereas in Quebec the Master has little authority in these respects, because all practice work is handled by a judge. In Quebec one judge is needed to hold practice court every week; and I am quite sure that in the district of Montreal at least two judges are sitting each day just for practice proceedings. The Superior Court judges in Quebec also preside at criminal trials, and at certain times of the year, especially in November, practically all of them are presiding at criminal assizes, leaving practically no one for the hearing of civil cases.

Under the constitution of Quebec, no judge has authority, unless appointed by the Dominion of Canada as a Superior Court judge, to hear cases involving more than $200. In 1867, when the constitution was drafted, it was understood that all judges of the Superior Court would be appointed and paid by the Dominion. As matters stood at that time, the Superior Court was the court of original jurisdiction in respect of all cases from $100 up. It was not until 1921 or 1922 that jurisdiction was conferred upon provincial magistrates to hear cases involving $200; and I believe that if the point ever came before either the Supreme Court of Canada or the Privy Council, it would be held that the conferment of this jurisdiction was a contravention of the British North America Act. Some time ago the suggestion was made that the province enlarge the jurisdiction of its magistrates to include cases up to $400, but the suggestion was regarded as so dangerous, constitutionally speaking, that nobody has dared to put it into effect.

No doubt the Dominion Government could appoint what are known as county or district judges, for whose salaries it would be responsible; but what would be the difference? Let us say that their jurisdiction extended to $800. This would mean that every month a Superior Court judge would have to go to a district to hear cases from $800 up, a County Court judge would attend to hear cases from $800 down, and a magistrate under provincial authority would be in the same district hearing cases from $200 down. The total cost would be tripled, the arrangement would be otherwise unsatisfactory, and the amount to be paid by the Dominion Government would be just as much as it is today.

Hon. Mr. Horner: Would the honourable senator tell me what hours the judges sit?

Hon. Mr. Bouffard: They always sit from 10 until 12.30 and from 2 until half-past four, and if on reasonable grounds a judge is asked to sit longer, I have never yet known one to refuse. In that respect I believe the judges of the province of Quebec set a very good example.

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

THIRD READING

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

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

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

FAMILY ALLOWANCES BILL

SECOND READING

Hon. Wishart McL. Robertson moved the second reading of Bill 235, an Act to amend the Family Allowances Act, 1944.

He said: Honourable senators, I have asked the honourable senator from Toronto-Trinity to explain this bill.

Hon. Arthur W. Roebuck: Honourable senators, this bill is only a proposed amendment to the present law, but it is of considerable importance and interest to many Canadians.

Honourable senators will recall that the Family Allowances Act was passed in 1944 and went into effect on July 1, 1945. It provided, on a rising scale, certain payments to mothers to assist in the maintenance of their children. Under the Act parents are entitled to receive a payment of $5 per month for each child less than six years of age; $6 per month for a child of six years or more but less than ten; $7 a month for a child of ten years or more but less than thirteen, and $8 per month for a child of thirteen or more but less than sixteen, which is the limit.

I may usefully refer to some of the well-known statistics concerning family allowances. The cost of the Act during last year, ending March 31, was $264 million. As of February 28 last, benefits were extended to 1,724,179 families and involved 3,873,268 children. The average payment to a family was

$13.25 per month, and the average payment per child, $5.90 per month.

Honourable senators, the Family Allowances Act has proved to be one of the most popular measures ever put on the statute books of this country, yet I suppose that even the most popular enactment can be improved as time goes by and experience is gained. The criticism that is most frequently made of the Family Allowances Act is that the payments to larger families are reduced. The present law provides that there shall be a reduction of $1 per month for the fifth child, $2 per month for the sixth and seventh children, and $3 per month for the eighth and all subsequent children. The various social organizations interested in this legislation have repeatedly suggested that these reductions be abolished and this is what the bill proposes to do. It is felt that there is no justification for them. It was thought at first that it would cost less to raise the subsequent children in a family; that the unit cost would decrease as the number of children increased; that bulk buying and bulk cooking would have its effect, and that the younger children would be able to use the cast-off clothing, school books, and so forth of their older brothers and sisters. However, family budget studies have proven this argument to be unsound, and that the savings which I have mentioned have been offset by the need for additional accommodation. It has been found also that family allowances do not pay the entire cost of raising a child, and that the parents still pay the major portion of it. The more children there are, the more diluted the family resources become. Salaries and wages are in no way related to the number of children in a family, and so the largest families have the greatest need.

Honourable senators, it will not cost a great deal to correct this fault—which I regard as an abuse—because, comparatively speaking, large families are not numerous. It is true that big families seem to be more noticeable than others and are more often discussed, but statistics prove that there are not many of them in Canada. The number of families which will be affected by the total abolition of these reductions is only 150,000, or approximately 16 per cent of those now enjoying the benefits of family allowances. I think one of the cogent arguments in favour of this legislation is that it will remove the stigma which the Act appears to place upon large families. I know this was not intended, but the decrease in the payments does make it appear we have disapproved of large families. There is no particular reason why a mother and father with, say, ten children to look after, should draw less than two fathers and mothers who have ten children to look after. But that seems to be the case at the present time. Is it not more logical to say that one father and mother with ten children have the greater need? I do not see how that argument can be met. Obviously the more parents there are the greater their ability to take care of the children, and the fewer the parents the greater the need. Quite a number of countries pay family allowances, but no other country makes this discrimination against large families.

Hon. Mr. Lacasse: Will the honourable gentleman permit a question? He has frequently used the expression "large families," and I should be glad if he would tell me what in his opinion constitutes a large family.

Hon. Mr. Roebuck: My honourable friend, being a medical man, can probably answer that more authoritatively than I can.

Hon. Mr. Lacasse: I beg my honourable friend's pardon for persisting. The question was not asked in any jocular way. My honourable friend has frequently used the expression "large families," and for the purpose of better understanding his remarks I should like to know what he considers to be the minimum number of children required to make up a "large family".

Hon. Mr. Roebuck: What in fact constitutes a large family is a matter of opinion. To some people one child is a large family. However, being a lawyer, I will answer my honourable friend in the terms of the Act, which describes a large family as one of five or more children; and it was in that sense that I was using the expression.

I was saying that no other country discriminates against large families, be they of five children or more. Indeed, I know of two countries — France and Belgium — which increase the rate of allowance as the number of children in the family increases. We are not proposing that at present. What is proposed here is simply that the discrimination against parents of five or more children be abolished. That is the effect of this amendment, which I am sure will be highly appreciated by such parents. When the Act was passed it was not intended that there should be this discrimination, but that is how it has worked out.

The other amendment in the bill is to section 2 of the Act, which makes all children in Canada under the age of 16 years eligible for family allowances (a) if they are native born Canadians or (b) if they have been resident in Canada for three consecutive years. That is the general effect, but there are special provisions relating to members of the armed forces, a matter that I do not need to touch on just now. At present a great many chil-

dren are immigrating to this country. Experience has shown it to be highly desirable to reduce the number of years during which these newcomers must wait before entering fully into the benefits of citizenship, and it has been proposed to reduce the term of three years to one year.

The effect on newcomers of making them feel that they have become beneficiaries under this Act within one year of their arrival can hardly be over-estimated. I submit to honourable senators that no kind words that a government or its spokesmen may utter, no certificate of citizenship or any other document that may be issued, can be nearly as effective as a family allowance cheque in making a newcomer realize that he has become in fact a Canadian. I should like to see the residence requirement wiped out entirely, if that were practical, but of course it would not be. We do not want to pay family allowances to summer visitors or other transients. In my judgment a minimum residence of three years is too long, and we should look upon a child who has lived here for one year as a permanent addition to our population.

May I point out that one of the specifications in the agreement for the union of Newfoundland with Canada was that the Family Allowances Act should immediately after the union extend to eligible people within the new province. I sense that nothing has so impressed the people of Newfoundland with the fact that they are now Canadians, and part of this great nation, as the receipt of monthly family allowance cheques from the government at Ottawa. That is a very substantial and real testimonial to their inclusion in our citizenship. Some 45,000 Newfoundland families, with 110,000 children, are now beneficiaries under this Act. The cost of providing family allowances for these children is about $700,000 a month, and I am sure we agree that we are getting good value for our money.

The extra cost resulting from reduction in the residence requirement from three years to one year will not be great. The effect of the amendment will be to enable certain children to qualify two years sooner than they otherwise would. From 1927 to 1944, both years inclusive, we admitted to Canada only 94,000 children under 16 years of age, an average of approximately 5,250 per year. Some of these children passed the age of 16 before having resided in Canada three years, and in future some who are under 16 when admitted will have exceeded that age before being here one year. For purposes of calculation we might take it that there will be admitted annually about 5,000 children under 16 years of age, and if we multiply this number by two we see that the number of such children likely to become eligible every year because of our reducing the residence requirement by two years is 10,000. At an average of $6 a month, the total extra expense would be $60,000 a month, or $720,000 a year. I chose those eighteen years because, during that period, immigration was perhaps normal, and that may be the kind of period to which we are returning.

Hon. Mr. Kinley: No.

Hon. Mr. Roebuck: It may be, but I hope not. During the past two years immigration has been much heavier, and it is estimated that the annual extra cost resulting from the proposed amendment will be about $1,000,000 a year.

In view of the very obvious advantages of the two amendments in this bill and the relatively small additional cost that will result therefrom, I have no hesitation in recommending the bill to the favourable consideration of my fellow senators.

Hon. Cyrille Vaillancourt: Honourable senators, I have only a few words to say in answer to my honourable colleague. I feel peculiarly qualified to speak on this subject because I was the fifteenth child in my family.

The family allowance law has been described by some people as socialism.

Hon. Mr. Roebuck: It is nothing of the kind.

Hon. Mr. Vaillancourt: To my mind it is a social and economic law. At the bottom of the prosperity of our country is the organization of the family: if the family is prosperous the country at large is prosperous. There is no reason why the children of the Labrador coast, Newfoundland, the Pacific coast or elsewhere in Canada should have a lower standard of living than those in the large cities. If we investigate, we will learn that many of the big men of our day came from the country and the small towns. I say the Family Allowances Act is a social and economic law, because in order to maintain production it is necessary to maintain consumption, and the increased family means increased consumption. I have only eight children, but when I go to the store to outfit them I am obliged to buy eight pairs of shoes, eight suits of clothes and so on. We require food in the home for ten people, and we consume considerably more than a family of two.

Canada's Family Allowances Act is the best law of its kind in the world. Some twenty-six countries adopted similar systems, starting in 1926 in New Zealand, and later in Belgium, and then in France. In some countries contributions are made by the government, the employer, and the employee. I know of certain countries where employers have tried to employ only labourers without families. One

can readily appreciate the effect of such a policy. True, by this law which was passed in 1944, the citizens of Canada are paying for the allowances; but in reality what they are paying for is the prosperity of the country. It is the best law that any government has ever enacted. If we want prosperity in the country we must have it first in the family. Fine children mean better men for tomorrow, and better men mean a finer country.

Hon. Norman Paterson: Honourable senators, I feel that I have some information pertaining to this bill which will be of interest to you. As you know, I am president of the Victorian Order of Nurses. This order has in Canada 486 nurses, who make a million calls a year; which for the most part have to do with the care of children and expectant mothers.

The honourable member from Blaine Lake (Hon. Mr. Horner) speaks often of the rugged independence of the people of his generation. I have a great deal of sympathy with what he says, for I was brought up in the West and do not wish to deprive the rugged western farmer of his independence. But when one receives reports such as I do of the improvement in the health of children, the amount of milk they consume, and the dental work which is going into their mouths—all as the result of family allowances—one cannot overlook the great benefit of this law.

Hon. J. J. Kinley: Honourable senators, as an enthusiastic supporter of the family allowance legislation when it was introduced in the other house, I crave your indulgence while I say a word or two about the proposed amendment.

The family allowance system had been working before the bill was passed in parliament. Our income tax scheme accepted the principle, and income taxpayers received an allowance for each dependent child. The inequity under this system was that those who earned enough to be taxable got the benefit of the allowance, but those who earned less received no benefit whatever.

As a member of parliament representing much of the fishing population in the province of Nova Scotia, I felt that the children of the poor families should receive the same consideration as those of more prosperous families. As I travelled through my constituency and visited the homes of fishermen in the low income bracket, it seemed to me that the mother who raised the children was doing a noble duty to the state. I felt, therefore, that the principle adopted by the income tax department should be made to apply to all.

Family allowances are now paid to all citizens of Canada with children, regardless of income. It costs the country a good deal of money; but it is not lost, it is only distributed. The people who get this money need it and cannot save it, so it goes into circulation. Those who want to increase their business will find that, with more money in the pool, people have more to spend. Men in poor circumstances will be better able to pay the doctor and the grocer, and to do things which formerly were beyond their means. Those of us who have associated with fishermen and other persons in the low income groups know how beneficial this legislation has been to the youth of Canada, who, after all, are perhaps the country's greatest asset. We are told today that the northern nations are raising such small families that they will soon be overwhelmed by people from more populous oriental countries.

It was suggested by the honourable member who moved second reading that the allowance should be the same for every child. It seems to me that more should be paid for the second child, than for the first, and more for the tenth child than for any of the others. I believe that would be a more reasonable change than to reduce the allowance because of numbers. However that may be, the law as originally passed was largely experimental. It is now amended in a manner that I think will be valuable; and probably as time goes on, family allowances will receive further consideration from the point of view of an equitable redistribution of wealth.

I believe that one of the things of which we can be proud is that Canada—not through the provinces but by the Dominion government—has established family allowances. Last fall, when I was in Newfoundland, I was told that this measure was not without substantial influence upon the thinking of the people with respect to confederation. Reflecting on the circumstances of many of Newfoundland's people who live along the coast and are in low income brackets, but who toil hard and give useful service to the country, one may suppose that they decided that family allowances would do them a lot of good, and that as Canadian citizens they would attain a higher economic standard.

I do not approve of getting something for nothing; I believe we should merit what we receive and that we should try to earn our living by the sweat of our brow. But let us not forget that the woman who raises a family, and the man engaged in a useful occupation which may not yield a large return, deserve that their children shall have a fair chance. For the privilege of serving them in this way we are thankful, and I am glad to support the amendment which is now before the house.

Hon. Gustave Lacasse: I want to add a word or two to keep the record absolutely clear and not invite any misinterpretation. I

have first to compliment my honourable friend from Toronto-Trinity (Hon. Mr. Roebuck) for the clear and persuasive way in which he has explained the amendment. He has demonstrated his great admiration for the children of Canada, and for that I compliment him: he seems to be of much the same mind as my honourable friend from Kennebec (Hon. Mr. Vaillancourt).

I want to make it clear that there was nothing personal in the question I asked my honourable friend from Toronto-Trinity; and I will add that I expected another reply which, though it probably would not have been better, would have expressed exactly what I had in mind. What is a "large" family? The definition varies according to circumstances. I thought that was what he was going to say—that two children may be a very heavy load for some families and ten children may be a very light burden for others. The matter is relative; and although, as the Act stands, allowances change according to age, I do not think the expression "large families" occurs anywhere in it.

However, I repeat that my main purpose in rising at this time is to assure my honourable friend that there was nothing personal whatever in the question I asked him.

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

THIRD READING

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

Hon. Mr. Robertson: With leave, now.

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

The Senate adjourned until tomorrow at 3 p.m.

29091—23½

THE SENATE

Thursday, April 28, 1949

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

Prayers and routine proceedings.

OLD AGE PENSIONS BILL

FIRST READING

A message was received from the House of Commons with Bill 237, an Act to amend the Old Age Pensions Act.

The bill was read the first time.

SECOND READING

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

Hon. Wishart McL. Robertson: With leave of the Senate, I move second reading of the bill now.

This bill is a short one, its purpose being, as honourable senators probably know, to raise the over-all amount of old age pensions from $30 to $40 a month. Honourable senators are aware of the fact that under the existing law the federal government contributes 75 per cent of the total amount paid in old age pensions, and the provinces pay the remaining 25 per cent. The present monthly payment to pensioners is $30, of which $22.50 is paid by the federal treasury and $7.50 by the provinces. I am advised that the estimated cost of the increase to the federal treasury by reason of the increase proposed by this measure will be about $25,000,000.

On a subject so familiar to honourable senators as old age pensions, I think I need say no more.

Hon. John T. Haig: Honourable members, I am all in favour of this bill, but I wish to make one or two short observations about it.

First, along with the other members of the Progressive Conservative party, both in and out of this house, I believe that this reform is long overdue. I know how urgent it is that this measure be passed, and I am not criticizing the government for presenting it. I do, however, wish to suggest that some consideration be given to the possibility of increasing the amount which old age pensioners may receive. At present the pensioner is allowed to have an income of $600 a year from all sources, including the pension. I feel that this figure should be increased in proportion to the monthly payments. As the law stands, some pensioners will not gain anything by the higher monthly payments. At present, a house owned by a pensioner is assessed at five per cent of its value, and the sum arrived at in that way is regarded as money earned by him, and is deducted from his allowance. For instance, if he owns a $3,000 house his $600 income allowance will be reduced by $150, and instead of receiving $480 per year by way of pension, as he otherwise would do under the increased rate, he will receive only $450. True, some old people have sufficient income from other sources to meet their needs, but with the present high cost of living these old age pensioners would enjoy more independence if they were allowed to receive a higher total income. I would suggest that a bill be introduced at the next session of parliament to increase the total income in proportion to the increase in monthly payments.

On my second point I speak for myself, not for my party. Though I have no solution for the problem, I do not like the means test. In my experience as a lawyer I have met many deserving people who do not like to go through the examination and turmoil of that test. The C.C.F. party advocates no means test at all, but I do not go that far. I believe there should be some inquiry into an aged person's circumstances, and that a decision as to what is proper in individual cases should be made after investigation.

Thirdly, as a lawyer I know something of problems which arise on the probating of estates of old age pensioners. It sometimes happens when a pensioner dies that his widow is only sixty years of age and that the government holds a lien against his house. The province of Manitoba usually releases such liens, but it does not have to do so. Some investigation has to be made, but irrespective of what government is in power the liens are usually released.

I draw attention to these three points: first, the need for an increase in the total yearly income; second, some revision of the means test; and third, the liability of the estate of the old age pensioner to the government. I have in mind the case of a man who had been getting the old age pension and whose estate, after his death, was found to be worth $15,000. I think the Government of Manitoba was right in insisting upon repayment of about $2,000, the total pension money paid to him. The general opinion was that he did not know what he was doing, and that his action may not have been fraudulent.

The three matters which I have outlined are uppermost in the minds of a good many people; and I suggest that if we as senators do not examine problems of this kind we are derelict in our duty. We should be willing to assist the government of the day without feeling that thereby we are forwarding the political interests of one party or the other.

I am entirely in favour of this legislation: it is long overdue. In this connection, the government of my own province of Manitoba

has not been too generous. Some provinces have granted as much as $10 a month to supplement the $30 paid by the federal government. The Manitoba government offered a payment of $5 per month on condition that the municipalities pay an equal amount. There was such a row in the legislature as a result that the province was obliged to give the $5 unconditionally. It is a coalition government, and I do not criticise it from partisan motives; but I believe the $5, which was about all the province could afford, should have been granted without delay, and the issue with the municipalities fought out later.

When the new parliament assembles, the subject of pensions is one to which we should give early attention.

Hon. R. B. Horner: When I was home recently I met a man who told me that he had had a discussion with an old age pensions inspector. Although this man had been receiving the pension for about two years, there was no record in the office that any of the cheques had been either cashed or returned. Upon investigation it appeared that none of the letters had even been opened. When the inspector asked this man, "Don't you need the money?" he said no, that he had two cows and was doing all right and didn't need anything more. Whether or not competition from margarine will prevent him from earning a living in future, I do not know. The inspector suggested that if he did not need the cheques he had better return them, so the old man—he is seventy-four years of age—opened a little tin box and handed out the letters and cheques, remarking, "You would take this money from my estate, and I don't want to give my children property which is subject to any debt." Honourable senators may regard this man as somewhat of an oddity, because he always voted for me, but I think he is a fine type of citizen.

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

THIRD READING

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

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

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

DIVORCE STATISTICS, 1948-49

FINAL REPORT OF COMMITTEE

Hon. John T. Haig: Honourable senators, on behalf of the Chairman of the Standing Committee on Divorce, I should like to present the final report of the Standing Committee on Divorce for the 1948-49 session of parliament. Perhaps it may be called a progress report, because the divorce work scheduled for this session has not been completed, and the report is being presented for the purpose of making the statistics available to anyone who wishes to inquire into this problem.

Honourable senators, it is apparent that a federal election will be held in the near future and that a new House of Commons will be elected. I seriously submit that the new parliament will have to do one of two things: it will either have to stop haggling about the work of the Senate Divorce Committee or suggest some other method of handling Quebec divorces. One possible solution of the problem would be to add one or more judges to the Exchequer Court of Canada, with power to hear divorce evidence. Parliament could then act upon their reports. There may be other ways of solving the problem.

I would remind honourable senators that not one of us who serves on the Divorce Committee wishes to do this kind of work. Let this be understood; we do not want to do it. We have no love for this work, but after serving on the committee for a number of years we realize that we cannot throw our duties overboard until somebody else takes on the job. It is the practice of the Senate Divorce Committee, which is made up of members from the western and eastern provinces, to sit on Mondays, Tuesdays, Fridays and Saturdays, when the Ontario and Quebec members of this chamber have "hiked" for home. Western and Maritime members have had to carry the load now for eighty-three years, and they are getting a little tired of it.

Honourable senators, I move the adoption of the report.

The report was then read by the Clerk Assistant as follows:

The Standing Committee on Divorce beg leave to submit its one hundred and eighty-ninth and Final Report for the 1949 Session of Parliament, as follows:—

Divorce Statistics, 1949

For the present session 341 petitions for Bills of Divorce were presented to the Senate and dealt with by the Committee on Divorce as follows:

Petitions heard and recommended	184
Petitions withdrawn	2
Petitions not heard due to impending termination of session	155
Total	341

Of the petitions recommended during the present session 43 were by husbands and 141 by wives. All petitioners are domiciled in the province of Quebec.

The committee held 17 meetings. On 14 days the committee functioned in two sections.

In 36 cases the committee recommended that part of the parliamentary fees be remitted.

Assuming that all Bills of Divorce recommended by the committee now in various stages before

parliament receive Royal Assent, the comparison of dissolutions of marriage granted by parliament in the last ten years is as follows:—

1940	62
1941	49
1942	73
1943	92
1944	111
1945	179
1946	290
1947	348
1947-48	292
1949	184

Hon. Wishart McL. Robertson: Honourable senators, in my capacity as leader of the government in the Senate, I should like to say a word in appreciation of the untiring and excellent work done by the Divorce Committee. I have paid tribute to the committee's work before, and I intend to do so on occasion as long as the committee continues to render such good service as it has rendered in the past. I wish my words of appreciation to extend to all members of the committee, but in frankness I am bound to say that they are particularly directed to the Chairman (Hon. Mr. Aseltine) and the Deputy Chairman (Hon. Mr. Haig), who carry on in these onerous duties in addition to fulfilling their responsibilities as, respectively, Deputy Leader of the Opposition and Leader of the Opposition in this house. I feel sure that all members of the Senate join with me in expressing to all members of the Divorce Committee sincere appreciation of the time and effort that they devote to their exacting duties on that committee.

BUSINESS OF THE SENATE

Hon. Mr. Robertson: Honourable senators, I should like to make a brief statement as to what I purpose asking the Senate to consider this afternoon. I shall ask that the motions appearing on the Order Paper as items No. 1 and No. 2 be allowed to stand, as it is not intended to proceed with these at the present session. I shall, however, move the third motion, for suspension of certain rules, and also the fourth motion, for approval of the North Atlantic Treaty. At first I had thought it would be well not to move the fourth motion until the treaty came up for consideration in another place, but there is some uncertainty as to just when this will be, so I shall ask the Senate to adopt the motion this afternoon. I shall suggest that motion No. 5, for approval of the International Wheat Agreement, be allowed to stand temporarily while we pass on to the Orders of the Day.

The first Order is for second reading of the Criminal Code Bill, and, as previously intimated, I shall ask that this Order stand. The only other Order is for second reading of the Agricultural Products Marketing Bill, and after we have dealt with this I shall ask the house to revert to the motion for approval of the International Wheat Agreement. I should like to make a brief explanation of the agreement today, in order that any senator who may require more information than I am capable of giving at the moment will have an opportunity of asking for it. I must frankly admit that my knowledge of the subject is very limited, and if questions are asked about it this afternoon I shall endeavour to obtain the required information for tomorrow. I take it that some honourable senators may wish to discuss the agreement, and there will be no objection on my part to an adjournment of the debate, if that is desired.

SUSPENSION OF RULES

MOTION

Hon. Mr. Robertson moved:

That for the balance of the present session Rules 23, 24, 63, 119 and 129 be suspended in so far as they relate to public and private bills.

He said: Honourable senators are aware that it has long been customary to move such a motion as this towards the end of the session. I am frank to say that every time I have had occasion to do so I have felt increasing diffidence, because honourable members have invariably accorded me the utmost courtesy and consideration whenever it has been necessary to ask that any measure be proceeded with more expeditiously than provided for by the rules. Adoption of the motion will not place any additional power in my hands, for the decision as to whether any measure shall be passed always rests with a majority of honourable members.

The motion was agreed to.

THE NORTH ATLANTIC PACT

MOTION OF APPROVAL

Hon. Wishart McL. Robertson moved:

That it is expedient that the Houses of Parliament do approve the North Atlantic Treaty signed at Washington on April 4, 1949, and that this house do approve the same.

He said: Honourable senators will recall that less than a month ago I moved, and the Senate adopted, a resolution of approval of a draft document known as the North Atlantic Treaty. The object of that resolution was to have the Houses of Parliament authorize a representative of the government to proceed to Washington and sign the treaty with the other participating countries, on the understanding that in due course the treaty would be referred to each signatory country for ratification according to its constitutional processes. I have obtained a few copies of the signed document in order that they may

be made available to any honourable senators who might wish to examine the treaty. I am advised that it is in exactly the same form as the original draft approved by the Senate.

When the draft treaty was under consideration here some excellent speeches were made in support of it by honourable members who spoke after I had made a brief statement. I have not much to add to what I said at that time. There is, however, one thought that has occurred to me. Since the treaty was approved here, and indeed since the actual signing of it at Washington, there has appeared on the part of the Soviet Union a disposition to be, shall I say, less difficult with respect to problems arising in international relations. Whether this is mere coincidence or result, I cannot say, but I think that in some ways it is indicative of danger. I suppose that primarily the North Atlantic Pact resulted from fear. Had there been less difficulty in dealing with the Soviet Union and the countries that revolve within its orbit, it is questionable whether such far-reaching undertakings as are made in this treaty would have been deemed advisable by, for instance, Canada and the United States. To the extent that that is true, and as the picture of international affairs changes, we must bear in mind the effect of the continuation of the pact in all its ramifications and consequences. It is entirely possible that in the years which lie ahead the greatest danger to the countries subscribing to the North Atlantic Pact, and to other countries which think as we do, will be not from actual aggression by armed force but from the infiltration of ideologies and beliefs contrary to those which we hold. Unhappy economic conditions and circumstances provide fertile ground for the spreading of foreign ideologies and make a country most vulnerable. Such dangers are present, regardless of the maximum defence set up by the countries subscribing to the pact, and the real value of that document may be in the fact that 350,000,000 people have banded together for the furtherance of their own economic welfare, in that way strengthening their economies and removing the danger of the infiltration of foreign ideologies. The international situation may improve in the future, but if it does not the stresses and strains on our internal economy will tend to be magnified. In that event, countries must co-operate more closely than ever before in the history of the world.

Honourable senators, I commend this treaty to you for your careful consideration and unanimous approval.

Hon. John T. Haig: Honourable members, I do not intend to delay the house long. While I agree with what the honourable leader of the government has said, I have one or two observations to make. Speaking as a Canadian citizen, I think I express the view of every member of this house when I say that this treaty is not a threat of aggression against Russia or any of her satellites. There is no thought of aggression in the mind of any Canadian who is loyal, regardless of the party to which he belongs or the section of the country in which he lives. I regret, however, that in the C.C.F. party there are certain elements, as demonstrated in the recent convention held in British Columbia, who feel that this is a pact of aggression aimed at Russia. But speaking as a member of this chamber, and for the group with which I am associated, I say that we are not in favour of war, and we have signed this agreement in the hope that it may keep war away from our shores and the shores of other countries.

I violently disapprove of young men of Canadian birth, whether of Anglo-Saxon or Latin origin, be they from Ontario, Quebec, or any part of Canada, who attend conferences like the recent meeting in Paris and deliberately tell lies about our country. Dr. Endicott, the son of a most distinguished leader in the United Church of Canada, attended the peace conference in Paris, and, according to press reports, the other day he said that Canada and the United States were preparing bases in the Northwest Territories adjacent to the four western provinces. Now, I live in one of those western provinces and I think I know what is going on; and to my mind there is not one ounce of truth in his whole statement. We are not preparing bases for war, but we are making discoveries in that frigid country that will better equip us to defend ourselves should we be called upon to meet an attack. The Department of National Defence has spent a great deal of money in that area, but the expenditure is directed towards improving conditions for the people who live there and the study of the migration of animals and birds, as well as for defence purposes. Had we not developed that area in certain respects, I doubt that today we would be able to make our contribution to the production of the atomic bomb. Certain discoveries in that field were made within the Arctic Circle.

I repeat that I have great disrespect, and even hatred, for people born in Canada or of Canadian parents—I believe Dr. Endicott was born in China—who attend conferences in other countries and lie about conditions within our own country. Some excuse might be offered for such conduct on the part of foreigners who are not familiar with and do not understand our institutions. But this

man is saying these things to nations whose policies we despise.

Peace conferences have been held in our own country. One was held in the city of Winnipeg. I guess it is no better than any other city in that respect. The Red Dean of Canterbury attended that conference and made speeches; and while I believe in the freedom of speech, I was strongly tempted to make trouble at that meeting.

We remember well the sacrifices made in World War I. At that time we had enjoyed a hundred years or more of peace and did not know the horrors of war. World War II broke out and our young men and women, fully aware that they were going to the worst torment on earth, joined the forces on behalf of freedom. Freedom of worship is Canada's basic freedom. It is better demonstrated here than in any other country, for here two great races, one largely Protestant and the other Roman Catholic, have lived together in peace and mutual respect for eighty-three years.

All of us have read about the trials in Hungary and Bulgaria. I do not know whether the verdict in the Cardinal's case was right or wrong, but his trial was a farce. The same must be said of the proceedings against Protestant clergymen in Bulgaria. The statement that we are guilty of aggressive intentions against Russia, whether made by our own people in Canada or by others elsewhere, is utterly devoid of truth.

We do not want war with Russia or any of her satellites. We are not anxious for a recurrence of the dark days of 1940, when we who were members of this chamber came here day by day oppressed with the feeling that we stood on the edge of an abyss in which the free nations might be engulfed for centures. We went through that struggle and we do not want another. We may dislike the ideology which rules in Russia, we may pity those who suffer under it; but we have nothing but disgust for Canadians who declare, in direct contradiction to the facts, that we are contriving an attack on those people. I take this opportunity of protesting against propaganda of that kind.

The Progressive Conservative party in this chamber and in every part of Canada stands four-square behind the Atlantic Pact. I congratulate the present Prime Minister of Canada on the distinguished part he played in initiating action for the making of this agreement; and whether or not he continues in his present office after the election, his advocacy of the Atlantic Pact will be one of the greatest achievements of his life. Canadian Liberals and Conservatives join wholeheartedly in acclaiming the pact. I do not deny that the Dominion leaders of the Co-operative Commonwealth Federation also are strong supporters of the agreement, but I regret that in our western provinces there is an element that does not believe in it, and I think the party should rid itself of that element. One of their representatives in the Manitoba Legislature—the member, I believe, for East Kildonan—made a broadcast on C.C.F. time in which he condemned the pact and American action in organizing it; but he was not read out of the party, as he should have been. It is agitation of this kind in Manitoba and Western Canada generally that I protest against. As far as our party is concerned, we shall vote unanimously for the motion; and I suggest that the leader of the government invite us to demonstrate our belief in the North Atlantic Treaty by a standing vote. We support it, not as a means of aggression but as an instrument of freedom and peace.

Hon. T. A. Crerar: Honourable senators, there will be no difference of opinion in this chamber as to what course we should take with respect to the motion that is now before the house. At the same time we should be conscious of the obligations which Canada is assuming under this treaty. There is no other course for us to follow in the light of conditions as they exist in the world today. But let us not forget that by adopting this motion we assume responsibilities for Canada such as would not have been even contemplated three years ago. It is a matter of pride to us all that in the eighty-two years since Confederation was achieved Canada has grown to a position which enables her to occupy an important and honoured place in these great international transactions.

I am not among those who think that the mere signing of the North Atlantic Treaty will resolve the differences which exist in the world today. Those differences have their roots far down in two different conceptions of life and of the place of man upon this planet. No one will differ with me, I am sure, when I say that the greatest impact upon the world in all its history was made by the Christian ethic. The Christian faith, as taught by its Founder, placed emphasis upon human personality; it dignified the human soul; and thereby it was the source from which has developed down through the centuries our conceptions of freedom and liberty and the right of the individual under the law to live his own life so long as he does no hurt to his neighbour. I repeat that from that great conception stemmed all the humanitarian and liberal ideals which have engendered the tremendous progress made by western civilization in the intervening centuries.

About one hundred years ago that conception was challenged by ideas promulgated by

Marx, and generally known as the Marxian philosophy. Marx was an atheist. He believed that a human society could be created and organized by the state upon a wholly materialistic basis so as to diffuse a much greater measure of happiness and prosperity among all the people. From that century-old concept have grown present-day ideas about the regulation of mankind. It is not without significance that the Marxian philosophy taught that Christianity was a great barrier to progress, so that today a large part of the efforts of those who believe in communism is directed to the destruction of all the representative symbols of the Christian faith. We have seen that happen in Eastern Europe and among other nations where this new ideology has seized upon the imagination of the people; we have seen it in a small and miserable form even in our own country.

Everyone who has lived in a democratic society will agree that the individual citizen's richest boon is his personal freedom and liberty to follow whatever avocation or labour he desires, to read what he wishes, to speak his mind where he wishes, and above all, to worship his Maker in whatever form and manner he chooses. These are the priceless privileges of a human democratic society that are being challenged today. The great tragedy in Russia and her satellite countries today is not that there is a group of dictators in the Kremlin, but that the youths of these countries are being indoctrinated in communistic ideals. In every school in Russia the plastic mind of the youth is being trained, turned and twisted in a certain direction. If the sense of freedom and progress is stricken from the minds of the young people it will not be long—even twenty-five years passes quickly—before they will have lost the desire for anything other than what they were accustomed to in their growing years. The great challenge that rests upon western civilization today is to keep the flame of freedom and liberty burning in its own countries and, as far as possible, in other countries as well. We must cherish and develop our freedom and liberty. This is our surest bulwark for the future.

But this is not going to be an easy struggle. I myself believe that the world is only on the eve of this great struggle, and that it will not be settled in our day. China's teeming millions are now being overrun by the communist philosophy, and while many people hope that Chinese communists will adopt a somewhat different philosophy from the so-called Russian communists, the basic idea behind both is the same. We delude and deceive ourselves if we do not realize that this communist fermentation is rapidly taking place in the Far East, and that sooner or later we may have to meet it. We must enter this pact with sober minds, realizing that it opens the gateway to events that cannot be foreseen at the moment. Nevertheless, there is nothing else for Canada to do but support this treaty.

I am delighted to see the unanimity of desire of the freedom-loving nations throughout the world to put their houses in order, so that they can stand up against an armed attack, if it should come. Above all we must encourage the spirit of freedom and liberty in our own country and in other lands, and be jealous of anything that undermines that spirit. The chief desire today, whether it be in the field of economics, politics or otherwise, is for security. But security without freedom is an empty shell. When we sign this pact, which will bring us many responsibilities, let us not forget that we are possibly at the beginning of great adventures. Let us not forget either that the signing of a pact is not the only way to preserve within our own country those principles of freedom and liberty without which life is not worth while, and upon which our whole Christian western civilization has been built.

Some Hon. Senators: Hear, hear.

Hon. Mr. Robertson: Honourable senators, I should like to follow the suggestion of the leader of the opposition (Hon. Mr. Haig), that we register our approval by a standing vote.

The motion was carried unanimously on a standing vote.

PRIVATE BILL

REFUND OF PARLIAMENTARY FEES

Hon. Mr. Beaubien (for Hon. Mr. Howard) moved:

That the parliamentary fees paid upon the Bill I-7, intituled: An Act to incorporate the National Spiritual Assembly of the Bahá'ís of Canada, be refunded to Mr. Howard S. Ross, K.C., the solicitor for the petitioners, less printing and translation costs.

The motion was agreed to.

COMMONWEALTH PRIME MINISTERS CONFERENCE

On the Orders of the Day:

Hon. Wishart McL. Robertson: Honourable senators, tomorrow I should like to table the official statement with respect to an epoch-making conference, the gathering of prime ministers at London, England, which dealt with the new status of members of the Commonwealth. At the same time I should like to give honourable senators an opportunity to say a word of welcome to the very distinguished group of Commonwealth statesmen who are in Ottawa at the present time.

AGRICULTURAL PRODUCTS MARKETING BILL

SECOND READING

Hon. Wishart McL. Robertson moved the second reading of Bill 82, an Act to provide for the Marketing of Agricultural Products in Interprovincial and Export Trade.

He said: Honourable senators, I have asked the honourable senator from Kennebec (Hon. Mr. Vaillancourt) to explain this bill.

Hon. Cyrille Vaillancourt: Honourable senators, most of the provinces have marketing legislation under which producers of farm products can organize marketing boards which, with the approval of the majority of the registered producers, can control the marketing of the commodities concerned. Examples of boards of this type are the Nova Scotia Apple Marketing Board, the British Columbia Tree Fruit board, the Ontario Bean Growers Marketing Board and the New Brunswick Cheese Marketing Board.

Operation of a board set up under provincial legislation is at present limited to its own province. In some cases this greatly restricts the ability of the board to control the sale of the product, because some of the product may have to be marketed outside the province or outside the country. This measure is intended to enable the Governor in Council to grant to provincial marketing boards the same powers in relation to interprovincial and export trade that under provincial legislation they enjoy in connection with trade within their respective provinces. Such grants of authority may, of course, be revoked by the Governor in Council.

One advantage which provincial marketing boards hope to gain from this legislation is the legal authority to collaborate with one another in regulating the marketing of commodities—apples, for example—on markets anywhere in Canada or abroad.

Hon. John T. Haig: Honourable senators, the party to which I belong is not opposed to this bill. In fact, a measure of this kind was one of the planks in the platform adopted by the national convention of our party in October last. In Manitoba, as in the other provinces, I presume there are various agricultural marketing boards, for example, a honey co-operative. These boards have been regulating the marketing of their respective products within the province, and this bill would enable them to regulate the marketing throughout Canada and in foreign countries. I approve of the measure.

Hon. Mr. Lambert: There is a question I should like to ask, and perhaps the leader of the opposition (Hon. Mr. Haig) may be able to answer it. Under our constitutional system is there or has there been anything to prevent an organization in one province from distributing or selling its products in any other part of Canada?

Hon. Mr. Haig: I do not think that provincial organizations could carry on interprovincial trade, unless authorized by some such measure as this, for interprovincial trade is a matter within Dominion jurisdiction. I know that the honey co-operative of Manitoba is desirous of having the bill passed. In Manitoba we have had a hot dispute as to whether oats and barley should be handled by the Wheat Board or by a producers' board, and the people of the province are violently divided on the issue. I am one of those who favour a producers' board, especially when the product in question is marketed largely throughout the whole country.

There is no question that any board which was given authority under section 2 of this bill would have power to regulate the marketing of its products anywhere in Canada. I have not looked into the question raised by the honourable senator from Ottawa (Hon. Mr. Lambert), and so am unable to give a direct answer to him, but I would say that if I were the legal representative of an agricultural marketing board in any province I would favour this measure.

Hon. Mr. Lambert: I do not wish to detain the house. My purpose is simply to obtain information, and I am not sure whether the bill is to be referred to a committee. Perhaps there will not be time for that.

Hon. Mr. Haig: No, there will not be time.

Hon. Mr. Lambert: I judge that the bill is a form of enabling legislation.

Hon. Mr. Haig: That is what it is.

Hon. Mr. Lambert: It would enable the Governor in Council to grant authority to marketing boards set up under provincial laws. There is nothing new in that idea, and the problem which the bill is supposed to deal with was considered at length and handled decisively some fifteen years ago when another administration was in office. At that time marketing boards for all the provinces were suggested. Some objection was then taken to that plan by those who are favourable to it now, so it would appear that opinion does change over the years.

I think there is good ground for analyzing and examining the purposes of this bill, in order that we may be satisfied that the benefits expected to accrue from it will have some prospect of being realized. From year to year some provinces will have surpluses of certain products. For instance, the province of Alberta might conceivably have a

large surplus of good butter, and the question of whether permission should be given for placing that surplus on eastern markets which formerly would have been open to it will depend largely upon the judgment of a board to which authority is granted under this measure. I mention this simply by way of throwing some light on the matter. I am far from saying that the best interests of Canada would not be served by the bill, but I should like some further information on it.

Hon. Mr. Vaillancourt: This bill has nothing to do with the law passed in 1934, to which my honourable friend refers. The object of the bill is to enable provincial organizations to join together for regulating the marketing of agricultural products. In parts of Prince Edward Island and New Brunswick, let us say, potatoes may be selling at a dollar per bag, and in other parts of the same provinces at 90 cents, whereas in Quebec the price may be 75 cents. It is not in the best interests of the farmers that there should be this difference. The bill would not give the government control over any agricultural product; it would simply enable the Governor in Council to authorize provincial boards to regulate the marketing of their products in any part of the country. These boards are provincial organizations, representing producers, and under the bill they may agree on standards and prices for their commodities.

Hon. Mr. Lambert: Does my honourable friend suggest that this contemplates the fixing of standard prices for agricultural products throughout Canada? Would the boards be able to set a Dominion-wide price for a certain grade of maple sugar, for example?

Hon. Mr. Vaillancourt: The producers are the people who should fix the prices of their products.

Hon. Gustave Lacasse: Honourable senators, I was late in coming into the Chamber, for which I apologize, and I am not sure whether what I am about to say is within the subject-matter under discussion; but there is a point that I have wanted to raise for a long time, and I believe this is the time to do it. We all recall that two or three years ago parliament passed a law requiring foods sold to the public to be of the same quality as advertised or described. I wish particularly to call attention to the quality of maple products served in restaurants. I challenge any member of this house who takes meals at public eating places in Ottawa, or elsewhere in this province, to say that he can be sure of getting pure maple syrup, as advertised on restaurant menus. What one gets when he orders maple syrup is a concoction that is almost poisonous. No one who knows what good maple syrup is should allow himself to be imposed upon in this way. This sort of thing happens in our capital city, in the very shadow of the Parliament Buildings. I believe laws are made to be enforced. Otherwise why put them on our statute books?

My reason for raising this question is that I should like the pure foods division of the Department of National Health to inquire into the matter and take whatever steps are necessary to see that the laws are enforced. Further, the loyal and honest producer must be protected. For instance, people come here from abroad, having heard of genuine maple syrup produced on Canadian farms; but when they eat the concoctions that are sold for maple syrup they get the impression that the goods are not as advertised. I think such experiences are detrimental to Canadian producers generally. When I want to eat a poor substitute for maple syrup I go to the Pacific coast, where they put almost everything into their concoctions; but when I visit Quebec I expect to get the genuine product, especially when there is on our federal statute books a law requiring that no food product shall be sold under false pretences.

I appeal to whoever is in authority to see that the laws passed by this parliament respecting the manufacture of food products are enforced.

Hon. Mr. Vaillancourt: I say to my friend that I hope the maple producers in the provinces of Ontario and Quebec will get together in putting their product on the market, and make sure that it is genuine.

Hon. T. A. Crerar: Honourable senators, I shall detain the house only a few moments to offer a small contribution to the discussion. As the honourable senator from Ottawa (Hon. Mr. Lambert) has said, this measure is of the nature of enabling legislation, but even then it has to be interpreted in a rather broad fashion. The proposals simply confer upon the Governor in Council the power to give privileges to provincial marketing boards beyond the boundaries of their provinces. I have no objection to the measure, but I believe that it is an instance where the administration of the law requires a good deal of care. The key words in subsection 1 of section 2 are, "to regulate the marketing of such agricultural product outside the province . . .". British Columbia, for instance, has a Fruit Marketing Board, the powers of which, I think, are very wide.

Hon. Mr. Haig: That is right.

Hon. Mr. Crerar: The board practically controls the marketing of fruit within the province. If such a board applies to the

government under this law, it can be given the same powers in interprovincial and export trade that it has within the province of British Columbia.

Hon. Mr. Beaubien: But only for the products of that province?

Hon. Mr. Crerar: Yes, that is assumed.

Hon. Mr. Haig: Such a regulation does not affect another province.

Hon. Mr. Crerar: But I believe that in considering such provisions the public interest is of paramount concern. I do not like to see laws passed which confer even upon a marketing board within a province certain arbitrary powers, for instance, to exploit consumers in that province or elsewhere.

I recognize that this problem is a difficult one. Personally I am a hundred per cent in favour of the development of the co-operative scheme in marketing by producers. The western provinces have promoted that idea quite extensively. While I favour the co-operative plan, I dislike the introduction of compulsion into these measures. For instance, living in Manitoba, I would not like to be buying British Columbia fruit and feeling that the fruit board of that province had power under this legislation to exploit me as a consumer. I trust I am making myself clear.

Hon. Mr. Haig: My friend has just said something which I do not think is quite correct. The only means by which he can be exploited is by the withholding of British Columbia fruit from the market.

Hon. Mr. Sinclair: That board is not a price-fixing body?

Hon. Mr. Haig: No, but it can hold fruit off the market.

Hon. Mr. Crerar: The board might say that British Columbia fruit could be sold only through a certain agency in the province of Manitoba, or it might establish its own wholesale agency in Winnipeg. I have no objection to such a policy, but I believe the principle of monopoly must be avoided if at all possible.

I said a few moments ago that I was in favour of the co-operative idea, but that I did not think it wise to impose any compulsory features. I am a native-born rebel when it comes to someone telling me what I must do under certain circumstances in relation to what are my natural rights.

It is quite evident that considerable caution was taken in the drafting of this bill. For instance, subsection 2 of section 2 gives the Governor in Council the power to revoke certain privileges that have been granted. The government may say to a provincial board that they may have certain powers extra-provincially, but that if they are abused the privileges may be revoked.

I do not wish to give the impression that I am opposing the bill, but it is a type of legislation which must be administered most carefully. As I said previously, the public interest is of paramount concern. That principle applies equally to all people, whether they be wheat growers, live stock raisers, honey producers, or fruit growers.

Hon. Mr. Robertson: Or manufacturers.

Hon. Mr. Crerar: Yes, or manufacturers. In most instances competition is the regulating factor. While I hope this legislation will work to advantage, should it develop monopolistic tendencies I trust that public opinion will see that the situation is corrected.

Hon. R. B. Horner: Honourable senators, while listening to the honourable senator from Churchill I was reminded of a meeting with the Price Spreads Committee for the purpose of assisting in the organization of co-operatives in agriculture. We have plenty of evidence that, because agricultural production covers so wide an area, the primary producer needs the help of associations of this kind, whether known as co-operatives or otherwise, to enable him to purchase what he needs at a fair price. These co-operatives are well organized; and their penalties, arranged by themselves, vary with the size of their organizations and the amount of their business. A large sum in cash is set aside so that if their prices are lower than those of fellow-producers elsewhere, the penalty is already provided for. This is sufficient proof that agriculturists have obtained the privileges which are theirs, not in order to exploit other Canadians, but to assure fair and reasonable prices for their products, whether apples or meat. These products are disposed of in an orderly way so that the market will not be supplied beyond its requirements.

For these reasons, while the compulsory feature does not appeal to me, I believe experience shows that legislation on these lines for the agricultural producer is necessary to enable him to compete with other businesses, and to have the wherewithal to purchase the implements he requires for production.

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

THIRD READING

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

Hon. Mr. Robertson: Now, with leave.

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

The Senate adjourned until tomorrow at 3 o'clock.

THE SENATE

Friday, April 29, 1949

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

Prayers.

HIS HONOUR THE SPEAKER

FELICITATIONS

The Hon. the Speaker: Honourable senators, before the doors are opened, I should like to indicate to honourable members of the Senate, and to the staff of the Senate, my appreciation of their kindness and courtesy to me during the time I have occupied the position of Speaker and "Président" of the Senate.

Hon. Wishart McL. Robertson: Honourable senators, I am sure that I am reflecting the views of honourable members of this house when I say a word of appreciation of the very great and distinguished services that have been rendered to the Senate of Canada by His Honour the Speaker, who for the past four years has presided over our deliberations with such grace and dignity.

It is the tradition and custom of the Senate that the Speaker shall change with each parliament; consequently this is probably the last sitting of this chamber over which His Honour will preside. During His Honour's term of office we have not only had the advantage of his long experience in public life and his wide knowledge of parliamentary practice, but we have had occasion to observe his personal charm and eminent sense of fairness, all of which have conspired to make his tenure of office one which I am sure every member of the Senate has enjoyed. As he steps down from the high office which he has held, and again resumes his place among us as an ordinary member of the Senate, I am sure that it is the wish of all that he may long be spared so that for many years to come we may continue to enjoy the great privilege of his friendship.

Hon. John T. Haig: In voicing my entire agreement with the words of the leader of the government in this house, I want in a very special way to express my appreciation, as leader of His Majesty's loyal opposition, of the unfailing kindness and generosity that His Honour the Speaker has extended not only to me but to my supporters during his term of office. I appreciate this very much indeed. Any opposition depends very largely for its success or failure on the attitude of the Speaker of the legislative body in which it functions, and you, Mr. Speaker, have fulfilled the highest traditions of your office; sometimes I think you have leaned a little to our side in making your decisions, which was only proper in view of the fact that the majority could always get its own way in the end.

After fourteen years of service in this house, under a number of Speakers, I can say in truth that your fulfilment of the high office of Speaker of the Senate has been a joy and pride to all of us. May you be spared many years, as the leader of the government has just said, to live with us and among us. Whatever may happen in the future, we will never forget your unfailing courtesy and fair play during the years you have presided over this house.

Hon. T. A. Crerar: Honourable senators, as an old colleague of His Honour the Speaker in a government of former days, I gladly join my voice to those of the leader of the government and the leader of the opposition in the well-deserved tributes they have paid to His Honour, who has presided with so much dignity and fairness over our deliberations during the last four years. Only today I was walking with His Honour in the corridor on the sixth floor, and we were comparing our political experiences in the years that have gone. I thought I had a pretty good record in battling through elections, but I discovered that His Honour had been through almost twice as many campaigns, provincial and federal, as I had seen.

According to the tradition of the House, a new Speaker may preside over our deliberations after the coming election. It is fitting, therefore, at this time that we should mark the occasion by expressing appreciation to His Honour and in this way let him know the esteem in which we hold him. May the years ahead for him be always pleasant and happy years.

Hon. J. G. Turgeon: Honourable senators, I take the liberty of joining in the tribute to His Honour the Speaker as he nears the end of his term of office. I am taking this privilege because both he and I are in this chamber as representatives from British Columbia and were both born in the Province of New Brunswick. I have had the honour and the pleasure of knowing His Honour and of working intimately with him since before he became a member of the Canadian Parliament in 1921. The chief thing I wish to say today does not so much concern the general success which has attended his efforts for the public good as it does the fact that in reaching every objective he has always been guided very definitely by a strong moral sense of right and wrong.

I know that every senator from British Columbia would wish to join in this tribute,

and that they will permit me to include them in this word of praise for our colleague and friend, the Honourable the Speaker.

Hon. Mr. Vaillancourt: Honourable senators, on my own behalf and on behalf of my French colleagues in this chamber, I wish to pay tribute to His Honour the Speaker, and offer him our best wishes for the future.

(Translation):

Our French Canadian motto is: "I remember". We will remember, tomorrow and forever, Mr. Speaker, the courtesy with which you have always treated us; we will recall your great urbanity. When you are no longer speaker, your memory will remain deeply engraved in our hearts.

The doors were opened.

Routine proceedings.

COMMONWEALTH PRIME MINISTERS' CONFERENCE

OFFICIAL STATEMENT

Hon. Wishart McL. Robertson: Honourable senators, I should like to ask the house at this time to implement the suggestion of the leader opposite (Hon. Mr. Haig), that the statement made by our Prime Minister in another place on the momentous conference of Prime Ministers recently held at London, be incorporated in our records; and I would so move. The most difficult constitutional problem concerning India's relation to the commonwealth has been happily solved.

Hon. Mr. Haig: I would like to have the honour of seconding that motion.

The motion was agreed to.

Hon. Mr. Robertson: The statement is as follows:

During the past week the Prime Ministers of the United Kingdom, Australia, New Zealand, South Africa, India, Pakistan, and Ceylon, and the Canadian Secretary of State for External Affairs have met in London to exchange views upon the important constitutional issues arising from India's decision to adopt a republican form of constitution and her desire to continue her membership of the Commonwealth.

The discussions have been concerned with the effects of such a development upon the existing structure of the Commonwealth and the constitutional relations between its members. They have been conducted in an atmosphere of goodwill and mutual understanding, and have had as their historical background the traditional capacity of the Commonwealth to strengthen its unity of purpose, while adapting its organization and procedures to changing circumstances.

After full discussion the representatives of the governments of all the Commonwealth countries have agreed that the conclusions reached should be placed on record in the following declaration:

"The governments of the United Kingdom, Canada, Australia, New Zealand, South Africa, India, Pakistan and Ceylon, whose countries are united as members of the British Commonwealth of Nations and owe a common allegiance to the Crown, which is also the symbol of their free association, have considered the impending constitutional changes in India.

The Government of India have informed the other governments of the Commonwealth of the intention of the Indian people that under the new constitution which is about to be adopted India shall become a sovereign independent Republic. The Government of India have however declared and affirmed India's desire to continue her full membership of the Commonwealth of Nations and her acceptance of the King as the symbol of the free association of its independent member nations and as such the Head of the Commonwealth.

The governments of the other countries of the Commonwealth, the basis of whose membership of the Commonwealth is not hereby changed, accept and recognize India's continuing membership in accordance with the terms of this Declaration.

Accordingly, the United Kingdom, Canada, Australia, New Zealand, South Africa, India, Pakistan and Ceylon hereby declare that they remain united as free and equal members of the Commonwealth of Nations, freely co-operating in the pursuit of peace, liberty and progress".

These constitutional questions have been the sole subject of discussion at the full meetings of prime ministers.

COMMONWEALTH PARLIAMENTARY ASSOCIATION

WELCOME TO DELEGATES

Hon. Mr. Robertson: Before the business of the house is proceeded with, and as having some relation to the subject we have just considered, I should like, on behalf of honourable members on this side of the house to extend a very warm welcome to the delegates to the General Council of the Commonwealth Association.

Honourable senators will perhaps remember that in October, 1948, the Empire Parliamentary Association, now the Commonwealth Parliamentary Association, formed a General Council of the association. At that time it was arranged that the first meeting would take place in Canada in April, 1949. The General Council of the association was formed as a means of establishing local contact between the various branches. It meets once a year in such place as may be determined at its annual business meeting, and at this very moment a meeting is being held in this building by representatives from the United Kingdom, Canada, Australia—its Commonwealth and State Branches—the Union of South Africa, New Zealand, Pakistan, Malta, Bermuda, and the Gold Coast. The deliberations will continue for the next few days and, although no particular resolutions will be passed, the opinions of the various delegates will be printed and circulated, I presume that following any constitutional changes which are made, India will soon become a member of the Association.

While I have always been a member of the association I have not yet had the opportunity of attending any of its meetings in the various

parts of the commonwealth. However, I do feel that the commonwealth delegates, representing the various racial origins and viewpoints of peoples widely scattered throughout the world, will have a profound influence upon world opinion. I am pleased that the first meeting of the newly-formed General Council is taking place in Canada, and I want to extend to the members of the association the warmest possible welcome and my best wishes for the success of their deliberations.

Hon. John T. Haig: Honourable senators, last year in Bermuda I had the honour and pleasure of attending a parliamentary conference of world democratic countries, in which New Zealand, Australia, South Africa, the United Kingdom, the United States and Canada were represented. At that time the wish was expressed that the United States might have an opportunity to become part of this organization.

Honourable senators, I join with the honourable leader of the government (Hon. Mr. Robertson) in welcoming representatives of the Commonwealth Parliamentary Association to our country. Thanks to His Honour the Speaker, some of us had an opportunity to meet several of the delegates a few nights ago. We were delighted with their spirit and sentiments. They all expressed the same high regard for their parliamentary institutions and for the part they play in the freedom, peace and good will of the world. It is a great honour to Canada to have the first meeting of the Commonwealth Parliamentary Association held here, but I do not think enough notice has been taken of it. I know two or three delegates who have stated that this is their first trip away from home. One distinguished representative, a member of the judiciary of the Gold Coast, came here thinking that it would be summertime and that he would not need an overcoat. I want to tell a story that he told me—and which I think he repeated the other night—because it shows how effective the personal touch can be in making people from other countries feel welcome here. He was staying at the Chateau Laurier, and in the morning he boarded the elevator to come down to the main floor. He had on a hat but no overcoat, and the young woman operating the elevator said, "I think, sir, that if you are going out this morning you will need an overcoat." He told her that he did not have an overcoat with him, and she said there was a store across the street, not far away, where he could get one. He did not know just where that was, and she took the trouble to walk out in front of the hotel, point out the store to him and call a taxi. Well, he said that young woman's interest in his welfare was very much appreciated, and he looked upon it as indicating a cordial welcome.

I enjoyed my trip to Bermuda last November as a delegate to the Parliamentary Conference. The other night the honourable leader of the government (Hon. Mr. Robertson) accused me of not having said much about the meeting. The fact is that our proceedings were secret. As honourable members who have been to that country know, all vehicular traffic there keeps to the left, and I do not mind admitting that for the first two days of my visit I feared I was going to be killed. Indeed, the idea occurred to me that perhaps the leader of the government had arranged to have me appointed a delegate in order to get rid of me. After being there a few days I got used to seeing drivers keep to the left, so much so that when I returned home I felt that our own drivers were on the wrong side of the road.

We were given a very warm welcome in Bermuda and had a good time. While we passed no formal resolution, we did perform what I think was a useful service in demonstrating to the American delegates—five senators, two members of the House of Representatives and an Assistant Under Secretary of State—that the nations of the commonwealth are just as anxious as the United States to preserve freedom for all peoples. I think also that we made it clear to them that while we appreciated the great contribution of the United States to world peace, we nevertheless liked our own institutions. And I believe that at the end of the conference those influential Americans realized more fully than before that the commonwealth has shown what free nations can do when they choose to work together. It is amazing, when you stop to think of it, that within the lifetime of one generation there have been two major world wars, but that somehow free peoples have by joint effort managed to rise above those catastrophes.

At the gathering of parliamentary delegates here the other night one could not help being impressed by the different races represented. Black men, brown men and white men were exchanging ideas, and underlying the whole discussion was a common love of freedom and peace.

I have great pleasure in joining with the leader of the government in extending a hearty welcome to the delegates at this Parliamentary Conference.

INTERNATIONAL WHEAT AGREEMENT

MOTION OF APPROVAL

Hon. Wishart McL. Robertson moved:

That it is expedient that the Houses of Parliament do approve the International Wheat Agreement opened for signature at Washington on March 23, 1949, and that this house do approve the same.

He said: Honourable senators will recall that the proposed International Wheat Agreement was before us for ratification last session, at which time I gave to the house the best information I had as to the purpose and scope of the agreement. I think it would not be in order for me to repeat what I said at that time; rather, I should bridge the gap by telling you what has happened since the last agreement, and what is happening now.

This house ratified an international wheat agreement last year. Unfortunately, due to the failure of the United States Senate to similarly approve by the July 1 deadline, the agreement never went into force.

Following the United States elections last year, President Truman stated that if the agreement were re-negotiated he would again submit it to Congress. The Government of the United States then invited all governments that were interested to send delegates to a conference in Washington to be held January 26 to March 23 of this year. All the countries which participated in the talks this year are experiencing more normal and balanced conditions of trade than last year. The old agreement was reviewed in the light of the change, and the new agreement embodies all the principles of the old one. For this reason I shall confine my remarks to the minor changes in the actual terms of the agreement.

Thirty-seven countries participated actively in the negotiations this year, and by April 15, the closing date for signatures, all but Paraguay had signed. Last year thirty-three countries signed. Among the new signatories are two minor wheat-exporting countries, France and Uruguay.

The old agreement was for, I think, five years. The agreement before us is for a period of four years, which includes and covers the last four years of the old agreement. The quantity of wheat involved in the present agreement is 456 million bushels, as compared with 500 million in last year's agreement. This change is due to the improved position of France, which is endeavouring to become a net exporter of wheat. Of this year's total, Canada's share is 203 million bushels. Because of Paraguay's failure to sign and Peru's reservation that her quantity be reduced by 50,000 tons, there will have to be a reallocation of 4 million bushels when the council meets in July.

For the quantities set out in the agreement, the exporting countries guarantee a maximum price of not more than $1.80 a bushel, basis No. 1 Northern, in store Fort William-Port Arthur. The importing countries guarantee a floor price of $1.50, $1.40, $1.30 and $1.20 in the first, second, third and fourth years, respectively. Although this year the ceiling price is twenty cents lower than it was last, the floor prices are up ten cents in each of the respective years.

Argentina and Russia were invited to attend the talks. They did attend at the beginning, but it was obvious from the outset that Argentina did not intend to become a party to the agreement. Russia took an active part at first, but withdrew toward the end when it became apparent that her demands would not be met. The absence of these two countries does not seriously affect the operation of the agreement.

I have outlined the main changes in this agreement as compared with the old one. Having in mind the changing wheat situation and all the uncertainties that would face the Canadian wheat growers without this international agreement, I move that in the interest of the wheat farmers, and of Canada as a whole, the agreement be approved.

Hon. John T. Haig: Honourable senators, I do not intend to oppose this motion. My feelings about the agreement may be expressed in a very few words: I do not believe its terms will ever be carried out, and I do not believe they can be enforced.

There are five countries—actually four—selling wheat, and while the contract may be enforced against them, there are thirty-two countries buying large and small amounts of wheat against which enforcement of the contract is doubtful.

I do not intend to go into the whole history of wheat agreements. I expressed some personal opinions a year ago, and some of them have proved sound. The United States did not sign up. The picture is this: If the supply of wheat is short, there will be no difficulty in getting the purchasers to take their quotas. If it is long there will be plenty of trouble. I point to the fact that two of the great grain-producing countries, Argentina and Russia, are being allowed to remain outside the agreement.

The price per bushel of $1.80 maximum and $1.20 minimum looks pretty good to our prairie farmers, and if it could be guaranteed through the years they would be satisfied; but we must remember that our share in the agreement is about 203 million bushels, and with one country dropping out we probably will supply an additional million or million and a half bushels. That quota is all right in a poor year; but with a crop of say 500 million bushels, if we take out 70 or 80 million for domestic consumption and fill our contract, we would have about 200 million bushels left. That residue would go on the world market, but where and at what price it would sell is difficult to predict.

I have never believed that a world agreement on wheat, or any other product that is

produced by practically every country in the world, is possible. Such agreements deal only with a small surplus of the total production.

A further problem is how we are going to be paid for our grain by the purchasing countries. For instance, how is Great Britain going to pay for her purchases? We have agreed to sell to her for the coming year 140 million bushels at $2.00. True, in passing the estimates the United States Senate did not say that the administration could not buy wheat; but as I read the newspapers it is plain that they will not buy Canadian wheat if there is an American surplus. I do not see how we can expect them to buy our wheat, or guarantee the price, which is the same thing.

On the question of exchange, I have advocated that world exchange should find its own level. But both houses of parliament in Canada have decided otherwise. The real problem is what kind of currency will certain of these buying countries use to pay for wheat. For instance, Great Britain's contract is for about 177 million bushels, but how are we going to enforce that contract, say, in the year 1951-52? If that country has no gold or American currency, and we do not buy her goods, what good is the contract? Some people may proudly point to the fact that certain countries got together and reached an agreement. That is a fine thing, but when that type of idealism runs wild it only leads to bitter disappointment.

I intend to vote for this agreement, because I do not want it to be said that anyone in Canada attempted to defeat what looked like a stabilization of the marketing of wheat. Farmers in the West, and I assume elsewhere in Canada, have been calling for stabilization. Of course in the last four years stabilization has been easy. You could stabilize the price of wheat at $1.55 in 1946 when it was selling on the world market at $2.44, and in 1947, when the world price was $2.88. There is no difficulty about establishing a price of $2 this year, since the world price since the beginning of the season has been above that figure. When any commodity is selling on the world market at the higher price, it is easy to fix the selling price at a lower figure. But what happens when the world price is below the stabilized price? The government is expected to come through with the necessary cash. But will any government come through with the cash? Our House of Commons comprises fifty-three members from the Prairie Provinces and two hundred and nine from the rest of Canada. Will the two hundred and nine consent to vote sufficient money to stabilize the price to prairie wheat growers, who are represented by only fifty-three members? They will not if human nature remains as it is now. It may change some time in the future, but not in the lifetime of the present generation.

I am frank to state that if we depend upon this agreement we shall be very disappointed. As long as the shortage of grain continues, importing nations will be willing to take it; but as soon as a surplus is available, the moment Russia moves into the market—and move she will—the position of exporting countries will be seriously affected. Russia will enter the exporting market for two reasons: first, because she has grain to sell, and second, principally, because her desire is to create chaos in the world's markets—and she may succeed in this. Argentina also will seek to export, not to upset the general equilibrium, but on account of necessity. She cannot go on holding up the world price, as she has been doing in the last three or four years, especially against Great Britain. Australia, too, has been trying to maintain a high price in the world market, and has obtained $2.72 per bushel. Of course this policy will ultimately fail, as ours did, in 1929 and 1930 when Canada tried to sustain a fixed price on a competitive market and those who held wheat suffered tremendous losses.

I am not going to vote against the agreement, but I am voting for it with my eyes wide open; I do not expect any benefits from it at all.

Hon. T. A. Crerar: Like my honourable friend the leader of the opposition (Hon. Mr. Haig) I am bound to say that I have a very slight degree of faith in this agreement.

Hon. Mr. Haig: May I apologize to the house and to my honourable friend for interrupting to ask permission to put on the records of the Senate the text of the agreement? I forgot to ask the consent of the government leader, but I think the documents should be so dealt with, and with his consent I will hand a copy to our reporters so that those reading *Hansard* will know what it is about.

Hon. Mr. Copp: The whole agreement?

Hon. Mr. Haig: The entire agreement, as already published in the *Votes and Proceedings* of the House of Commons. Is that agreed to?

Hon. Mr. Copp: Yes.

Hon. Senators: Agreed.

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

Hon. Mr. Crerar: Now, honourable senators, after that interlude—and I concur in the suggestion of the leader of the opposition—may I repeat that, like him, I have little faith in

this agreement. I am not going to oppose it; to do so would be rather a futile gesture; but there are a few features of it to which I would like to draw the attention of my colleagues.

It is now more than fifteen years since an international wheat agreement was first mooted. I think I remarked a year ago, in what I had to say about the agreement when the motion was before us for ratification, that sentiment in favour of this kind of action has, so to speak, surged up and down over this fifteen year period. It is a fine thing to talk about international agreements, and in these times ideas of international co-operation kindle the sympathies of us all. Let no one think for a moment that I am deriding this sentiment; it is highly commendable; but if it is to have any value, there must be some practical side to it.

Now what is proposed under the agreement which is before us for ratification—the second of its kind—is that thirty-seven importing countries agree to buy wheat on the terms outlined by the leader of the government (Hon. Mr. Robertson), and that five countries agree to sell certain quantities of wheat. Included in the number of those agreeing to buy are several who have undertaken to purchase less than one million bushels a year. I notice that in one case, the smallest importer, the amount involved is only 36,744 bushels. There are individual farmers in Western Canada who could supply that quantity from their own acreage.

There is another feature of the agreement to which attention should be called. I observe, for instance, that Brazil agrees to import roughly 13¼ million bushels, and Paraguay, another South American country, undertakes to accept roughly 2,200,000 bushels a year. One of the anomalies of this agreement lies in the fact that Argentina an important producing country, has not signed it. The state of Paraguay adjoins Argentina, and Brazil is four times as far from the United States, as she is from Argentina, farther from Canada, and even farther from Australia. Is it reasonable to suppose that Paraguay will buy wheat from the signatories to this agreement if she can obtain it cheaper from Argentina at a lower price? Certainly she has contracted to do so in the agreement, but supposing, on the plea that she cannot afford to buy at the price here fixed, she backs down on her undertaking, what sanctions shall we impose to compel her to honour her signature? The same consideration holds good as to Brazil.

Then, what will be the attitude of the great state of Russia, which has not signed the agreement? Before the First World War Russia usually exported annually over 100 million bushels of wheat, and, as the honourable senator from Thunder Bay (Hon. Mr. Paterson) is aware, the Danubian countries, particularly the Hungarian plain, were heavy exporters of wheat. Hungary lies next door to Italy, which is listed here as the second largest purchaser. If things settle down in Europe, and Hungary wants to sell 50 million bushels of wheat to Italy at an attractive price, that country will be strongly tempted to accept the offer.

Honourable senators, as I stated a year ago, it is difficult to harmonize the interests of exporting and importing countries. The exporting countries naturally wish to secure as high a price as possible, while the importing countries naturally desire to purchase as cheaply as possible. I fear that the importing countries, faced with the uncertainties of trade and exchange over the next few years, will be strongly tempted to buy their wheat from Russia should that country offer it to them at lower prices than they can get it under this agreement. Frankly, I expect, even though this agreement may persist for a year or so, that it will not live until the end of its term. Those who are pressing for the International Wheat Agreement are not pursuing a course that will place Canadian agriculture on its soundest basis. It may be implied from what I say that I think the signatory countries will break their word. That is not altogether the case. Once the Marshall Plan has come to an end, some countries may encounter real difficulty in securing dollars to buy from the United States and Canada. And let it be understood that under this agreement the United States and Canada are the largest contributing countries. Between them they are to supply more than 370 million of the 456 million bushels provided for in the agreement.

I do not intend to vote against this motion, but I want to emphasize that I have little faith that the term of the agreement will be completed. I am doubtful, too, if the advantages that it is supposed to bring to the grain producers of this country will be realized.

Hon. Mr. Kinley: Do not the uncertainties which my honourable friend has mentioned exist in all businesses? Is this not based on confidence and ability to pay?

Hon. Mr. Crerar: I think my honourable friend from Queen's-Lunenburg (Hon. Mr. Kinley) is suffering from a misapprehension. Under this agreement Canada has to hold out for a certain price; but if the agreement did not exist, the market would find its own level and Canada would enter into competition with Russia or Argentina. Brazil, for

instance, would be strongly tempted to buy from Argentina should that country offer to sell her wheat at, say, 25 cents a bushel less than it could be bought under the wheat agreement.

Hon. Mr. Kinley: What is the real intention of the agreement?

Hon. Mr. Crerar: My honourable friend would have to put his question to those who proposed the agreement. I have never been able to find any logical reason for it.

Hon. Mr. Kinley: Surely my honourable friend, who is an authority on wheat, knows the intention of the agreement.

Hon. Mr. Crerar: I have never been a proponent of any international wheat agreement, because I have never considered that such a plan would work. Over a span of many years western Canadian wheat came to acquire a high reputation for quality. This reputation made our wheat desirable on international markets, but I am afraid that under this agreement we may sacrifice this advantage.

Hon. Mr. Horner: May I ask my honourable friend what would happen if a new government came into power in one of the signatory countries, and claimed that it were not responsible for the agreement?

Hon. Mr. Crerar: I have not had time to read this new agreement carefully, but my recollection of the one presented to us a year ago is that provision was made whereby the agreement could be abrogated by any of the signatory countries. However, supposing Liberia, which is on the west coast of Africa, were to announce that she was going to buy wheat from Argentina instead of buying it under the agreement, would a fleet or an army be sent to enforce sanctions? Certainly not. What would be done to Brazil if she were to decide that it was to her advantage to buy her wheat from Argentina? Would we send an army or a navy to enforce our contract? Would we impose trade sanctions against Brazil? This would be one method of reprisal, but it would not be done because it would arouse a storm of protest in this country that would entirely overshadow the violation of the agreement. These are some of the reasons why I have little faith in this agreement.

Hon. Mr. Kinley: I hope the honourable senator from Churchill, whose long association with the wheat trade has made him an authority on the subject, will permit me to ask him a question. What is the relation between this agreement and our present wheat agreement with Great Britain?

Hon. Mr. Crerar: I understand that this agreement does not interfere with our contract with Great Britain, which has only one year to run from August 1 next. The signatories to this international agreement have recognized the contract between Britain and Canada, which can normally be discharged, and then Canada will come under the international agreement. That is my understanding.

Hon. Mr. Robertson: I think that is right.

Hon. Mr. Kinley: Is it supplementary to our agreement with Britain?

Hon. Mr. Robertson: I understand the position is as stated by the honourable gentleman from Churchill. Our agreement with Britain is for another year, and it will be replaced then by the International Wheat Agreement, if that is ratified by the various participating countries. The extent to which $2 happens to be higher than the prevailing price at any time during the next crop year will be looked upon as partial compensation to our producers for the advantages that have accrued to Britain in recent years by reason of the lower price at which our wheat was sold to that country. I believe there is no conflict between this agreement and our agreement with Britain. The negotiators of each one had full knowledge of the terms of the other.

Hon. Mr. Kinley: Would this agreement be effective if the government of the United States declared a wheat surplus in that country?

Hon. Mr. Robertson: I do not think such a declaration would have any bearing upon the International Wheat Agreement. If a wheat surplus were declared in the United States, moneys allocated for the E.C.A. could not be specifically used for wheat purchased from Canada. In any event, that has no relation to this agreement.

Hon. Mr. Kinley: I have listened with great interest to what my honourable friend said about agreements for international trade, and it seems to me that the purpose of any such agreement is to assure a supply of the goods in question to the purchasing country, at a price that can reasonably be paid by the consumers. When you are doing an export business it is very important that you do not allow the price of your goods to go beyond what the consumers can pay. If they consider your price too high, you will not be able to continue selling to them.

The people who are making this agreement with us are undertaking to do certain things, and we expect them to carry out their undertaking, regardless of how large the world production in any year may be. In all business you take it that people will stand by

their agreements. I certainly would not like to put the standard of morality in international business on as low a plane as my honourable friend has put it, for we look to people to honour their signatures, even though at times they may find it very difficult to do so. That is one of the first principles of business. Although there is at present no law which could be invoked to compel a nation to abide by an agreement, it seems to me that in the face of all the existing organizations for international co-operation it is unthinkable that any country would default on an undertaking of this kind. The country would lose face, as the saying is, and that would tell strongly against it whenever thereafter it desired to enter into any other agreement.

This agreement may not be perfect, but it is the best that can be made for the time being. That being so, it seems to me that we should accept it and trust in the good faith of the signatory nations.

In recent years, honourable senators, there have been a number of important international declarations, undertakings and associations. First there was the Atlantic Charter, which declared the sanctity of the Four Freedoms; a few years later the United Nations Organization was established, and now we have the North Atlantic Treaty and a new set-up for the commonwealth. In the past there has always been a feeling that no nation could be forced by law to live up to its undertakings with another nation, and it seems to me that the time has come when the United Nations must give serious thought to this. If international agreements cannot be enforced by sanctions, we should try to arrive at a general understanding that it will be a matter of honour for every nation to carry out its obligations; and if we can ever reach that stage we shall have the best possible guarantee that they will be carried out.

Hon. Norman McL. Paterson: Honourable senators, it is too bad that we are not going to have an opportunity to ask a few questions about this agreement in committee, for I notice that the gentleman who signed the agreement on behalf of Canada is sitting in the gallery.

Perhaps it would be of interest to the house to hear of one Canadian's experience of some years ago, when the Argentine froze all its foreign exchange. Canada then had a surplus of wheat, and our Winnipeg merchants had an open market and were endeavouring to sell wheat in England in competition with the Argentine. At that time English investors owned a preponderance of Argentine railroad stock. The dividends were credited to their accounts in the Argentine, but the government there would not permit any of those funds to be removed from the country. Argentine wheat was then being sold in England, and we were not able to meet the competition. We discovered afterwards that the railroad dividend credits were being exchanged in the Argentine for wheat.

It seems to me rather ridiculous for us to say we are not on the gold standard, when the only thing we will take in exchange for goods is gold. We will not accept the paper money of other countries or their verbal promises. I feel that we are more on the gold standard today than we have been at any time in the history of the world. I think this agreement is probably the best arrangement we can have under the circumstances, and we should trust in God that it will work.

On the 1948 crop we have about 140 million bushels of wheat available. That quantity can be carried over or it can be exported, whichever it is decided to do. We may be thankful, if we get no rain in the West that it is available to carry over. At the present time we have more dust storms than we have had at any time in ten years. In certain parts of Saskatchewan the condition is critical.

We happen to be facing the United States, our big neighbour to the south, which probably has one of the largest surpluses in its history. That country will have perhaps a billion and a quarter bushels of wheat to harvest this year. When the agreement was first presented to her she did not choose to sign it, but at the present time her attitude is much more favourable for the reason that she has a large exportable surplus. If the United States declares a wheat surplus, then the United Kingdom cannot use American money for the purchase of Canadian wheat. Further, England may not be able to buy our wheat unless we purchase some goods from her. This is a two-way agreement, that more or less forces England to buy our wheat and requires us to purchase her goods.

This agreement is the best we can hope for and, under the circumstances, we must trust it to work.

The Hon. the Speaker: Honourable senators, is it your pleasure to concur in the motion for approval of the International Wheat Agreement?

Some hon. Senators: Carried.

The motion was agreed to.

OLEOMARGARINE

EFFECT ON DAIRY INDUSTRY

On the Orders of the Day.

Hon. R. B. Horner: Honourable senators, before the Orders of the Day are called, I should like to make a few remarks on an important question which seriously affects

every part of Canada. I refer to the manufacture and sale of margarine.

Hon. Mr. Paterson: We have heard of it.

Hon. Mr. Horner: Unfortunately the government allowed the question of the ban on margarine to go before the Supreme Court of Canada. I have before me a newspaper advertisement offering two pounds of fancy margarine for 63 cents.

Hon. Mr. Lambert: Is that in a local paper?

Hon. Mr. Horner: Yes, it appeared in the Ottawa *Journal* of last night. I will hand it to you, so you may purchase the product if you wish. There appears in the same paper an appeal to the government to take immediate steps to correct the situation.

Before the judgment of the court was handed down the Dairy Council approached the government and suggested that if butter was in short supply a quantity should be imported. The government went ahead and have now imported 10,000,000 pounds from Denmark, a small quantity from Great Britain, some from the United States, 2,000,000 pounds from New Zealand and about 1,500,000 pounds from Australia, a total of some 14,379,000 pounds.

Hon. Mr. Sinclair: Over what period?

Hon. Mr. Horner: I believe that is within the past six months, or it may possibly be a year. I cannot be certain on that point. But I did get some information from the Bureau of Statistics before coming into the chamber today.

During my experience of milking cows, over a period of fifty years, farmers and producers have not received anything like a fair price for their product.

The Hon. the Speaker: I must point out to the honourable gentleman that he is entirely out of order. If he wishes to make a speech at this time he should ask for leave of the house.

Hon. Mr. Horner: Mr. Speaker, this is a very urgent question. The honourable senator from Essex (Hon. Mr. Lacasse) spoke yesterday of the adulteration of maple syrup. I contend that the removal of the ban on margarine is of much greater concern to the country than is poor quality maple syrup. If I am ruled out of order, I shall move the adjournment of the house to discuss a matter of urgent public importance.

The Hon. the Speaker: I think the honourable senator should do so.

Hon. Mr. Horner: Then I so move.

The Hon. the Speaker: It has been moved by the Honourable Senator Horner that the Senate adjourn for the purpose of allowing him to discuss a question of urgent public importance—the sale of oleomargarine. Is there a seconder to the motion?

Hon. Mr. Horner: It is seconded by the honourable senator from Royal (Hon. Mr. Jones).

Some Hon. Senators: Carried!

Hon. Mr. Horner: I shall not detain the Senate for long.

First, I may point out that there are a great many people engaged in the dairy industry. They are a hard working people, and never have they been fully compensated for their labour. Theirs is no ordinary job; it is a Sunday, Monday and every-day proposition.

The sale of margarine is causing most serious alarm in Canada. The dairy producers will not continue to operate under present circumstances. For instance, in the province of Saskatchewan during the month of March dairy production declined eleven per cent. That decrease will become greater in spite of the floor price which the government proposes to pay.

I read in an article in the Ottawa *Journal* of last evening that:

> J. H. Duplan, President of the Dairy Council, presented the Council's butter, milk and cheese troubles in a brief addressed to Prime Minister St. Laurent and members of his Cabinet.
>
> Mr. Duplan said in his brief: "Failure to announce administrative policy is having lasting and harmful effects on all branches of the industry."

People who are discouraged at the prospect of getting a fair return for their labour and money are selling their dairy cattle. Dairying, above almost any other vocation, is a family industry. It is also a great training ground for youth. In talking to a gentleman who was raised under similar circumstances to myself, I said that as a young fellow I bitterly regretted missing holidays and having to rush home from fairs and spend a part of Sunday in milking, but, comparing my own career with that of boys who had nothing of this kind to do, I felt now that I had no reason for envying them. He said that the same held true in his case. The moral is that boys who had gone through the discipline of this experience were much better fitted to succeed in after life than those who had not.

Some provinces have taken action in the interests of the dairy industry. Born and raised, as I was, in Quebec, I am pleased and proud that Premier Duplessis has taken the stand that margarine shall not be manufactured or sold within that province. This decision is right and proper, and what is taking place today will show that he has acted even more wisely than he thought.

I get tired of listening to the protestations of Liberals about protection and free trade: to my mind they are just nonsense. They

talk free trade at election time, but they practise protection when in office, and necessarily so. In relation to wheat agreements or anything else, it is hard to force water to run uphill. We have had trade agreements witih the United States, but whether the commodity is grain, cattle or hogs, just as soon as it affects adversely the American farmer we run into difficulties.

Hon. Mr. Lesage: Would the honourable senator permit a question? What is the existing reserve of surplus butter in the country?

Hon. Mr. Horner: I am not able to say. I imagine it is considerable. I was listening to a discussion in the other chamber when the Parliamentary Assistant to the Minister of Agriculture stated that the government, on the basis of this floor-price provision, had bought about 2,500,000 pounds of butter. What they propose to do with it I do not know. When production increases in May and June, as it will, they will still be buying —and buying in competition with 31-cent margarine.

I was pointing out that when we had agreements with the United States, as soon as our sales adversely affected the producers in that country, they lobbied and persuaded their government to increase the tariff against us. The duty on wheat is 45 cents a bushel; the shipment of cattle is subject to a tariff and a quota; and, I repeat, just as soon as concessions made to us have an adverse effect on their producers, those concessions are annulled. The same will hold true of any future agreement.

In Western Canada we have been buying from eastern Canadian manufacturers for fifty years. They have had protection in respect of the goods which farmers had to purchase; and we believe we are entitled to a measure of protection for the dairy industry.

I do not know much about the adulteration of maple syrup; but if margarine is to be manufactured and sold, a small army of inspectors will be needed to ensure that it contains the prescribed elements, such as vitamins. When you buy a dairy product you know what you are getting. I think the government should take immediate steps; for if they do not, the situation will become very difficult.

Hon. Mr. Lambert: May I ask my honourable friend whether, in making this speech, he has taken into consideration the judicial decision which places upon the provinces the legal responsibility relating to the manufacture and sale of margarine? The federal authority has nothing to do with it.

Hon. Mr. Horner: I know all that very well. My complaint is that the government ever allowed the matter to go to the court for decision.

Hon. Mr. Robertson: How could they stop it?

Hon. Mr. Horner: They could very well have stopped it.

Hon. Mr. Robertson: How?

Hon. Mr. Horner: They need not have passed the resolution in the other place.

Hon. Mr. Sinclair: We passed it in this house.

Hon. Mr. Horner: I know, but it also had to pass the other house.

Hon. Mr. Beaubien: The resolution asking the government to submit the issue to the Supreme Court was passed unanimously.

Hon. Mr. Kinley: Has it been appealed?

Hon. Mr. Horner: It is going to be appealed.

Hon. Mr. Kinley: Why don't they do it?

Hon. Mr. Horner: It takes a little time.

Hon. Mr. Ross: Would the honourable senator have the government carry on under an illegal statute?

Hon. Mr. Horner: The decision of the court was not unanimous. The court was divided as to the legality.

As I say, we have listened to many speeches by Liberals in opposition to prohibition or restriction. Now, although we are importing butter from the United States, we are entirely prohibited from selling it to that country. A prohibition is worse than a tariff.

The action to which I have called attention will be regretted from one end of this country to the other, because of its adverse effects upon an industry and a class of people that should be encouraged. Dairying is a family industry and a valuable training ground; to discourage it will bring nothing but trouble in this country. Already we are importing about $100 million worth of oil, and the country will be that much poorer for the transaction.

Hon. Mr. Beaubien: I recall that this house passed unanimously a resolution asking the government to refer to the Supreme Court of Canada the question of oleomargarine.

Hon. Mr. Horner: It was not passed unanimously.

Hon. Mr. Beaubien: My honourable friend, as one of the members of this house, has to take some of the blame for that action, because the motion was adopted without a dissenting voice.

Hon. Mr. Horner: I am not taking any blame.

Hon. Mr. Beaubien: Under the constitution of this country jurisdiction is divided between the Dominion and the provincial legislatures. The Supreme Court has found that to prohibit the manufacture of margarine in Canada is not within the jurisdiction of the federal government. Therefore it is left to the provinces to decide what they should do. I think I am in a fair position to take the stand I am taking now, because I voted on two occasions against the oleomargarine bill.

We are living in a period in which the provinces try to pass the buck to the federal government when things do not run "according to Hoyle", and I think the Dairy Council of Canada should make its complaints to the provinces. The Supreme Court of Canada has ruled that the federal government has no jurisdiction to prohibit the manufacture and sale of oleomargarine, and if the Dairy Council questions that decision it should appeal to the Privy Council. I think both my honourable friend from Blaine Lake (Hon. Mr. Horner) and the Dairy Council are unduly alarmed. A few days ago in another place the government was asked what quantity of butter had been bought under the floor price, and I think the answer was that it was very little.

Hon. Mr. Haig: Two and a half million pounds.

Hon. Mr. Beaubien: Well, 2½ million pounds of butter is only about two days' butter supply for the whole of Canada. If my honourable friends are telling the truth about the situation in Saskatchewan, that province will not have a blade of grass to produce any butter this coming summer.

Hon. Mr. Horner: We can produce butter by feeding Russian thistle to our cattle, and the drier the weather the more Russian thistle there will be.

Hon. Mr. Beaubien: If my honourable friend is going to bring prosperity to Saskatchewan with Russian thistle, he does not know as much about Russian thistle as I do.

Hon. Mr. Horner: The wise farmers are going to hang on to their cattle by feeding them Russian thistle. That is what I mean.

Hon. Mr. Beaubien: Let the Dairy Council make their representations to the provinces. If they do not approve of the decision of the Supreme Court of Canada, they can appeal to the Privy Council for final judgment.

Hon. Mr. Horner: The federal government could prohibit the importation of fats and oils. They are good at prohibiting.

Hon. Mr. Beaubien: My honourable friend knows better than I do that Canada can produce enough fats and oils for the manufacture of oleomargarine. In my part of the country we grow sunflower seed, rapeseed, soy-bean and so forth. We can produce sufficient fats and oils to produce oleomargarine.

Hon. Mr. Horner: Why have we imported $95 million worth of oils then?

Hon. Mr. Kinley: Honourable senators, if we have to depend on the oils produced in Canada to manufacture oleomargarine I do not think we will have to worry. The thing to be feared is the importation of oils in tank freighters from countries where half-naked men run up coconut trees, pull down the coconuts and extract the oil. I am not in favour of putting the Canadian farmers in competition with this kind of labour. The Dairy Council in good faith should have appealed the decision of the Supreme Court of Canada which was divided in its opinion. My complaint today is that when I go into eating places I am served with margarine instead of butter. Eating places charge high enough prices to be able to afford to furnish their customers with butter. There is no protection for the eating public of Canada against this imposition.

Hon. Mr. Crerar: There is nobody in this chamber for whom I have a greater liking than my honourable friend from Blaine Lake (Hon. Mr. Horner), but I must confess that I do not know what caused his remarks. Under the recent decision of the Supreme Court of Canada the regulation of the manufacture and sale of oleomargarine lies wholly within the jurisdiction of the provinces. It is quite true that the federal government could restrict imports by raising duties on imported fats and oils to a prohibitive level.

Hon. Mr. Kinley: It is done in the United States.

Hon. Mr. Crerar: I cannot see why my honourable friend (Hon. Mr. Horner) has brought up this question. Perhaps it is because we are approaching an election—

Hon. Mr. Horner: Oh, no.

Some Hon. Senators: Oh, oh.

Hon. Mr. Crerar: —and the old war-horse is eager to get into action.

Hon. Mr. Horner: Being an old politician himself, I can understand my honourable friend thinking so.

Some Hon. Senators: Oh, oh.

Hon. Mr. Crerar: All jesting aside, it is quite beyond my imagination why anyone

should think, in the face of the decision made on a constitutional point by the Supreme Court of Canada, that the federal government can do anything to control the manufacture and sale of oleomargarine in this country. As to whether the sale of oleomargarine should be permitted in this country, I need only refer to the views I have already expressed to this house on other occasions. There is very substantial and incontrovertible evidence that oleomargarine is a healthy food. If that is so, why should the tens of thousands of families in this country who find it difficult to make ends meet be deprived of the opportunity to buy a spread for their bread which costs less than butter? I shall repeat what has been said in former debates in this house: that for scores of years some of the finest dairy countries in the world have authorized the manufacture and sale of oleomargarine. I think it is a complete misconception to think that the sale of margarine in Canada will destroy our dairy industry. I am sure that my honourable friend from Blaine Lake will not take offence at my remarks. The question is one which the federal government cannot deal with except by restricting importation through prohobitive customs tariffs, which it undoubtedly has the power to do.

Hon. Mr. Horner: It taxes soft drinks. Why could it not impose a tax on margarine?

BUSINESS OF THE SENATE

Hon. Mr. Robertson: Honourable senators, I am advised that there is no prospect of our receiving legislation from another place in time to have the Royal Assent before 6 o'clock. Therefore I suggest that the house adjourn during pleasure, to reassemble at 8 o'clock this evening.

The Senate adjourned during pleasure.

At 8 o'clock the sitting was resumed.

PIPE LINES BILL

COMMONS AMENDMENTS CONCURRED IN

The Hon. the Speaker: Honourable senators, a message has been received from the House of Commons to return Bill Z-3, an Act respecting oil or gas pipe lines, and to acquaint the Senate that they have passed the said bill with amendments, to which they desire the concurrence of the Senate.

When shall these amendments be taken into consideration.

Hon. Mr. Copp: Honourable senators, I move that these amendments be concurred in now.

The amendments were read by the Clerk Assistant.

The motion was agreed to.

ADJOURNMENT

Hon. Mr. Copp: Honourable senators, I move that when the Senate adjourns tonight it stand adjourned until tomorrow at 11 o'clock in the morning.

The motion was agreed to.

The Senate adjourned until tomorrow at 11 a.m.

APPENDIX

International Wheat Agreement

The Governments parties to this agreement,

Intending to overcome the serious hardship caused to producers and consumers by burdensome surpluses and critical shortages of wheat, and

Having resolved that it is desirable to conclude an international wheat agreement for this purpose,

Have agreed as follows:

PART I—GENERAL

ARTICLE I

Objectives

The objectives of this Agreement are to assure supplies of wheat to importing countries and markets for wheat to exporting countries at equitable and stable prices.

ARTICLE II

Definitions

1. For the purpose of this Agreement:

"Advisory Committee on Price Equivalents" means the Committee established under Article XV.

"Bushel" means sixty pounds avoirdupoids.

"Carrying charges" means the costs incurred for storage, interest and insurance in holding wheat.

"C. & f." means cost and freight.

"Council" means the International Wheat Council established by Article XIII.

"Crop-year" means the period from August 1 to July 31, except that in Article VII it means in respect of Australia and Uruguay the period from December 1 to November 30 and in respect of the United States of America the period from July 1 to June 30.

"Executive Committee" means the Committee established under Article XIV.

"Exporting country" means, as the context requires, either (i) the Government of a country listed in Annex B to Article III which has accepted or acceded to this Agreement and has not withdrawn therefrom, or (ii) that country itself and the territories in respect of which the rights and obligations of its Government apply under Article XXIII.

"F.a.q." means fair average quality.

"F.o.b." means free on board ocean vessel.

"Guaranteed quantity" means in relation to an importing country its guaranteed purchases for a crop-year and in relation to an exporting country its guaranteed sales for a crop-year.

"Importing country" means, as the context requires, either (i) the Government of a country listed in Annex A to Article III which has accepted or acceded to this Agreement and has not withdrawn therefrom, or (ii) that country itself and the territories in respect of which the rights and obligations of its Government apply under Article XXIII.

"International Trade Organization" means the Organization provided for in the Havana Charter, dated March 24, 1948, or, pending the establishment of that Organization, the Interim Commission established by a resolution adopted by the United Nations Conference on Trade and Employment held in Havana from November 21, 1947 to March 24, 1948.

"Marketing costs" means all usual charges incurred in procurement, marketing, chartering, and forwarding.

"Metric ton" means 36·74371 bushels.

"Old crop wheat" means harvested more than two months prior to the beginning of the current crop-year of the exporting country concerned.

"Territory" in relation to an exporting or importing country includes any territory in respect of which the rights and obligations under this Agreement of the Government of that country apply under Article XXIII.

"Transaction" means a sale for import into an importing country of wheat exported or to be exported from an exporting country, or the quantity of such wheat so sold, as the context requires. Where reference is made in this Agreement to a transaction between an exporting country and an importing country, it shall be understood to refer not only to transactions between the government of an exporting country and the government of an importing country but also to transactions between private traders and to transactions between a private trader and the government of an exporting or an importing country. In this definition 'government' shall be deemed to include the government of any territory in respect of which the rights and

obligations of any Government accepting or acceding to this Agreement apply under Article XXIII.

"Unfulfilled guaranteed quantity" means the difference between the quantities entered in the Council's records in accordance with Article IV in respect of any exporting or importing country for a crop-year and that country's guaranteed quantity for that crop-year.

"Wheat" includes wheat grain and, except in Article VI, wheat-flour.

2. Seventy-two units by weight of wheat-flour shall be deemed to be equivalent to one hundred units by weight of wheat grain in all calculations relating to guaranteed purchases or guaranteed sales, unless the Council decides otherwise.

PART 2—RIGHTS AND OBLIGATIONS

ARTICLE III

Guaranteed Purchases and Guaranteed Sales

1. The quantities of wheat set out in Annex A to this Article for each importing country represent, subject to any increase or reduction made in accordance with the provisions of Part 3 of this Agreement, the guaranteed purchases of that country for each of the four crop-years covered by this Agreement.

2. The quantities of wheat set out in Annex B to this Article for each exporting country represent, subject to any increase or reduction made in accordance with the provisions of Part 3 of this Agreement, the guaranteed sales of that country for each of the four crop-years covered by this Agreement.

Annex A to Article III

Guaranteed Purchases

Crop-year August 1 to July 31	1949/50	1950/51	1951/52	1952/53	Equivalent in bushels for each crop-year
	thousands of metric tons*				
Austria	300	300	300	300	11,023,113
Belgium	550	550	550	550	20,209,040
Bolivia	75	75	75	75	2,755,778
Brazil	360	360	360	360	13,227,736
Ceylon	80	80	80	80	2,939,497
China	200	200	200	200	7,348,742
Colombia	20	20	20	20	734,874
Cuba	202	202	202	202	7,422,229
Denmark	44	44	44	44	1,616,723
Dominican Republic	20	20	20	20	734,874
Ecuador	30	30	30	30	1,102,311
Egypt	190	190	190	190	6,981,305
El Salvador	11	11	11	11	404,181
Greece	428	428	428	428	15,726,308
Guatemala	10	10	10	10	367,437
India	1,042	1,042	1,042	1,042	38,286,946
Ireland	275	275	275	275	10,104,520
Israel	100	100	100	100	3,674,731
Italy	1,100	1,100	1,100	1,100	40,418,081
Lebanon	65	65	65	65	2,388,341
Liberia	1	1	1	1	36,744
Mexico	170	170	170	170	6,246,431
Netherlands**	700	700	700	700	25,720,597
New Zealand	125	125	125	125	4,592,964
Nicaragua	8	8	8	8	293,950
Norway	210	210	210	210	7,716,179
Panama	17	17	17	17	624,643
Paraguay	60	60	60	60	2,204,623
Peru	200	200	200	200	7,348,742
Philippines	196	196	196	196	7,201,767
Portugal	120	120	120	120	4,409,245
Saudi Arabia	50	50	50	50	1,837,185
Sweden	75	75	75	75	2,755,778
Switzerland	175	175	175	175	6,430,149
Union of South Africa	300	300	300	300	11,023,113
United Kingdom	4,819	4,819	4,819	4,819	177,067,938
Venezuela	90	90	90	90	3,306,934
Total (37 countries)	12,418	12,418	12,418	12,418	456,283,389

*Unless the Council decides otherwise, 72 metric tons of wheat-flour shall be deemed equivalent to 100 metric tons of wheat for the purpose of relating quantities of wheat-flour to the quantities specified in this Annex.

**Quantity listed for The Netherlands includes for each crop-year 75,000 metric tons or 2,755,778 bushels for Indonesia.

Article B to Article III

Guaranteed Sales

Crop-year August 1 to July 31	1949/50	1950/51	1951/52	1952/53	Equivalent in bushels for each crop-year
	thousands of metric tons*				
Australia	2,177	2,177	2,177	2,177	80,000,000
Canada	5,527	5,527	5,527	5,527	203,069,635
France	90	90	90	90	3,306,934
United States of America**	4,574	4,574	4,574	4,574	168,069,635
Uruguay	50	50	50	50	1,837,185
Total	12,418	12,418	12,418	12,418	456,283,389

*Unless the Council decides otherwise, 72 metric tons of wheat-flour shall be deemed equivalent to 100 metric tons of wheat for the purpose of relating quantities of wheat-flour to the quantities specified in this Annex.

**In the event of the provisions of Article X being invoked by reason of a short crop it will be recognized that these guaranteed sales do not include the minimum requirements of wheat of any Occupied Area for which the United States of America has, or may assume supply responsibility, and that the necessity of meeting these requirements will be one of the factors considered in determining the ability of the United States of America to deliver its guaranteed sales under this Agreement.

3. The guaranteed purchases of an importing country represent the maximum quantity of wheat which, subject to deduction of the amount of the transactions entered in the Council's records in accordance with Article IV against those guaranteed purchases,

(a) that importing country may be required by the Council, as provided in Article V, to purchase from the exporting countries at prices consistent with the minimum prices specified in or determined under Article VI, or

(b) the exporting countries may be required by the Council, as provided in Article V, to sell to that importing country at prices consistent with the maximum prices specified in or determined under Article VI.

4. The guaranteed sales of an exporting country represent the maximum quantity of wheat which, subject to deduction of the amount of the transactions entered in the Council's records in accordance with Article IV against those guaranteed sales,

(a) that exporting country may be required by the Council, as provided in Article V, to sell to the importing countries at prices consistent with the maximum prices specified in or determined under Article VI, or

(b) the importing countries may be required by the Council, as provided in Article V, to purchase from that exporting country at prices consistent with the minimum prices specified in or determined under Article VI.

5. If an importing country finds difficulty in exercising its right to purchase its unfulfilled guaranteed quantities at prices consistent with the maximum prices specified in or determined under Article VI or an exporting country finds difficulty in exercising its right to sell its unfulfilled guaranteed quantities at prices consistent with the minimum prices so specified or determined, it may have resort to the procedure in Article V.

6. Exporting countries are under no obligation to sell any wheat under this Agreement unless required to do so as provided in Article V at prices consistent with the maximum prices specified in or determined under Article VI. Importing countries are under no obligation to purchase any wheat under Agreement unless required to do so as provided in Article V at prices consistent with the minimum prices specified in or determined under Article VI.

7. The quantity, if any, of wheat-flour to be supplied by the exporting country and accepted by the importing country against their respective guaranteed quantities shall, subject to the provisions of Article V, be determined by agreement between the buyer and seller in each transaction.

8. Exporting and importing countries shall be free to fulfill their guaranteed quantities through private trade channels or otherwise. Nothing in this Agreement shall be construed to exempt any private trader from any laws or regulations to which he is otherwise subject.

ARTICLE IV

Recording of Transactions Against Guaranteed Quantities

1. The Council shall keep records for each crop-year of those transactions and parts of transactions in wheat which are part of the guaranteed quantities in Annexes A and B to Article III.

2. A transaction or part of a transaction in wheat grain between an exporting country and an importing country shall be entered in the Council's records against the guaranteed quantities of those countries for a crop-year:

(a) provided that (i) it is at a price not higher than the maximum nor lower than the minimum specified in or determined under

Article VI for that crop-year, and (ii) the exporting country and the importing country have not agreed that it shall not be entered against their guaranteed quantities; and

(b) to the extent that (i) both the exporting and the importing country concerned have unfulfilled guaranteed quantities for that crop-year, and (ii) the loading period specified in the transaction falls within that crop-year.

3. If the exporting country and the importing country concerned so agree, a transaction or part of a transaction made under an agreement for the purchase and sale of wheat entered into prior to the entry into force of Part 2 of this Agreement shall, irrespective of price but subject to the conditions in (b) of paragraph 2 of this Article, also be entered in the Council's records against the guaranteed quantities of those countries.

4. If a commercial contract or governmental agreement on the sale and purchase of wheat-flour contains a statement, or if the exporting country and the importing country concerned inform the Council that they are agreed, that the price of such wheat-flour is consistent with the prices specified in or determined under Article VI, the wheat grain equivalent of such wheat-flour shall, subject to the conditions prescribed in (a) and (b) of paragraph 2 of this Article, be entered in the Council's records against the guaranteed quantities of those countries. If the commercial contract of governmental agreement does not contain a statement of the nature referred to above and the exporting country and the importing country concerned do not agree that the price of the wheat-flour is consistent with the prices specified in or determined under Article VI, either of those countries may, unless they have agreed that the wheat grain equivalent of that wheat-flour shall not be entered in the Council's records against their guaranteed quantities, request the Council to decide the issue. Should the Council, on consideration of such a request, decide that the price of such wheat-flour is consistent with the prices specified in or determined under Article VI, the wheat grain equivalent of the wheat-flour shall be entered against the guaranteed quantities of the exporting and importing countries concerned, subject to the conditions prescribed in (b) of paragraph 2 of this Article. Should the Council, on consideration of such a request, decide that the price of such wheat-flour is inconsistent with the prices specified in or determined under Article VI, the wheat grain equivalent of the wheat-flour shall not be so entered.

5. The Council shall prescribe rules of procedure, in accordance with the following provisions, for the reporting and recording of transactions which are part of the guaranteed quantities:

(a) Any transaction or part of a transaction, between an exporting country and an importing country, qualifying under paragraph 2, 3, or 4 of this Article to form part of the guaranteed quantities of those countries shall be reported to the Council within such period and in such detail and by one or both of those countries as the Council shall lay down in its rules of procedure.

(b) Any transaction or part of a transaction reported in accordance with the provisions of subparagraph (a) shall be entered in the Council's records against the guaranteed quantities of the exporting country and the importing country between which the transaction is made.

(c) The order in which transactions and parts of transactions shall be entered in the Council's records against the guaranteed quantities shall be prescribed by the Council in its rules of procedure.

(d) The Council shall, within a time to be prescribed in its rules of procedure, notify each exporting country and each importing country of the entry of any transaction or part of a transaction in the Council's records against the guaranteed quantities of that country.

(e) If, within a period which the Council shall prescribe in its rules of procedure, the importing country or the exporting country concerned objects in any respect to the entry of a transaction or part of a transaction in the Council's records against its guaranteed quantities, the Council shall review the matter and, if it decides that the objection is well-founded, shall amend its records accordingly.

(f) If any exporting or importing country considers it probable that the full amount of wheat already entered in the Council's records against its guaranteed quantity for the current crop-year will not be loaded within that crop-year, that country may request the Council to make appropriate reductions in the amounts entered in its records. The Council shall consider the matter and, if it decides that the request is justified, shall amend its records accordingly.

(g) Any wheat purchased by an importing country from an exporting country and resold to another importing country may, by agreement of the importing countries concerned, be entered against the unfulfilled guaranteed purchases of the importing country to which the wheat is finally resold provided that a coresponding reduction is made in the amount entered against the guaranteed purchases of the first importing country.

(h) The Council shall send to all exporting and importing countries, weekly or at such other interval as the Council may prescribe

in its rules of procedure, a statement of the amounts entered in its records against guaranteed quantities.

(i) The Council shall notify all exporting and importing countries immediately when the guaranteed quantity of any exporting or importing country for any crop-year has been fulfilled.

6. Each exporting country and each importing country may be permitted, in the fulfillment of its guaranteed quantities, a degree of tolerance to be prescribed by the Council for that country on the basis of the size of its guaranteed quantities and other relevant factors.

ARTICLE V

Enforcement of Rights

1. (a) Any importing country which finds difficulty in purchasing its unfulfilled guaranteed quantity for any crop-year at prices consistent with the maximum prices specified in or determined under Article VI may request the Council's help in making the desired purchases.

(b) Within three days of the receipt of a request under subparagraph (a) the Secretary of the Council shall notify those exporting countries which have unfulfilled guaranteed quantities for the relevant crop-year of the amount of the unfulfilled guaranteed quantity of the importing country which has requested the Council's help and invite them to offer to sell wheat at prices consistent with the maximum prices specified in or determined under Article VI.

(c) If within fourteen days of the notification by the Secretary of the Council under subparagraph (b) the whole of the unfulfilled guaranteed quantity of the importing country concerned, or such part thereof as in the opinion of the Council is reasonable at the time the request is made, has not been offered for sale, the Council, having regard to any circumstances which the exporting and the importing countries may wish to submit for consideration and in particular to the industrial programs of any country as well as to the normal traditional volume and ratio of imports of wheat-flour and wheat grain imported by the importing country concerned, shall, within seven days, decide the quantities, and also if requested to do so the quality and grade, of wheat grain and/or wheat-flour which it is appropriate for each or any of the exporting countries to sell to that importing country for loading during the relevant crop-year.

(d) Each exporting country required by the Council's decision under subparagraph (c) to offer quantities of wheat grain and/or wheat-flour for sale to the importing country shall, within thirty days from the date of that decision, offer to sell those quantities to such importing country for loading during the relevant crop-year at prices consistent with the maximum prices specified in or determined under Article VI and, unless those countries agree otherwise, on the same conditions regarding the currency in which payment is to be made as prevail generally between them at that time. If no trade relations have hitherto existed between the exporting country and the importing country concerned and if those countries fail to agree on the currency in which payment is to be made, the Council shall decide the issue.

(e) In case of disagreement between an exporting country and an importing country on the quantity of wheat-flour to be included in a particular transaction being negotiated in compliance with the Council's decision under subparagraph (c), or on the relation of the price of such wheat-flour to the maximum prices of wheat grain specified in or determined under Article VI, or on the conditions on which the wheat grain and/or wheat-flour shall be bought and sold, the matter shall be referred to the Council for decision.

2 (a) Any exporting country which finds difficulty in selling its unfulfilled guaranteed quantity for any crop-year at prices consistent with the minimum prices specified in or determined under Article VI may request the Council's help in making the desired sales.

(b) Within three days of the receipt of a request under subparagraph (a) the Secretary of the Council shall notify those importing countries which have unfufilled guaranteed quantities for the relevant crop-year of the amount of the unfufilled guaranteed quantity of the exporting country which has requested the Council's help and invite them to offer to purchase wheat at prices consistent with the minimum prices specified in or determined under Article VI.

(c) If within fourteen days of the notification by the Secretary of the Council under subparagraph (b) the whole of the unfulfilled guaranteed quantity of the exporting country concerned, or such part thereof as in the opinion of the Council is reasonable at the time the request is made, has not been purchased, the Council, having regard to any circumstances which the exporting and the importing countries may wish to submit for consideration and in particular to the industrial programs of any country as well as to the normal traditional volume and ratio of imports of wheat-flour and wheat grain imported by the importing countries concerned, shall, within seven days, decide the quantities, and also if requested to do so the quality and grade, of wheat grain and/or wheat-flour which it is appropriate for each or any of the importing

countries to purchase from that exporting country for loading during the relevant crop-year.

(d) Each importing country required by the Council's decision under subparagraph (c) to offer to purchase quantities of wheat grain and/or wheat-flour from the exporting country shall, within thirty days from the date of that decision, offer to purchase those quantities from such exporting country for loading during the relevant crop-year at prices consistent with the minimum prices specified in or determined under Article VI and, unless those countries agree otherwise, on the same conditions regarding the currency in which payment is to be made as prevail generally between them at that time. If no trade relations have hitherto existed between the exporting country and the importing country concerned and if those countries fail to agree on the currency in which payment is to be made, the Council shall decide the issue.

(e) In case of disagreement beween an exporting country and an importing country on the quantity of wheat-flour to be included in a particular transaction being negotiated in compliance with the Council's decision under subparagraph (c), or on the relation of the price of such wheat-flour to the minimum prices of wheat grain specified in or determined under Article VI, or on the conditions on which the wheat grain and/or wheat-flour shall be bought and sold, the matter shall be referred to the Council for decision.

ARTICLE VI

Prices

1. The basic minimum and maximum prices for the duration of this Agreement shall be:

Crop-year	Minimum	Maximum
1949-50	$1.50	$1.80
1950-51	1.40	1.80
1951-52	1.30	1.80
1952-53	1.20	1.80

Canadian currency per bushel at the parity for the Canadian dollar, determined for the purposes of the International Monetary Fund as at March 1, 1949 for No. 1 Manitoba Northern wheat in bulk in store Fort William/Port Arthur. The basic minimum and maximum prices, and the equivalents thereof hereafter referred to, shall exclude such carrying charges and marketing costs as may be agreed between the buyer and the seller.

2. The equivalent maximum prices for bulk wheat for:

(a) No. 1 Manitoba Northern wheat in store Vancouver shall be the maximum price for No. 1 Manitoba Northern wheat in bulk in store Fort William/Port Arthur specified in paragraph 1 of this Article:

(b) f.a.q. wheat f.o.b. Australia,

Sample wheat of France (minimum natural weight seventy-six kilograms per hectolitre; minimum protein content ten per cent; maximum dockage and moisture content two per cent and fifteen per cent respectively) f.o.b. French ports, and f.a.q. top grade wheat f.o.b. Uruguay,

shall be whichever is the lower of:

(i) the maximum price for No. 1 Manitoba Northern wheat in bulk in store Fort William/Port Arthur specified in paragraph 1 of this Article converted into the currency of Australia, France or Uruguay, as the case may be, at the prevailing rate of exchange, or

(ii) the price f.o.b. Australia, France, or Uruguay, as the case may be, equivalent to the c. & f. price in the country of destination of the maximum price for No. 1 Manitoba Northern wheat in bulk in store Fort William/Port Arthur specified in paragraph 1 of this Article, computed by using currently prevailing transportation costs and exchange rates and, in those importing countries where a quality differential is recognized, by making such allowance for difference in quality as may be agreed between the exporting country and the importing country concerned;

(c) No. 1 Hard Winter wheat f.o.b. Gulf/Atlantic ports of the United States of America shall be the price equivalent to the c. & f. price in the country of destination of the maximum price for No. 1 Manitoba Northern wheat in bulk in store Fort William/Port Arthur specified in paragraph 1 of this Article, computed by using currently prevailing transportation costs and exchange rates and by making such allowance for difference in quality as may be agreed between the exporting country and the importing country concerned; and

(d) No. 1 Soft White wheat or No. 1 Hard Winter wheat in store Pacific ports of the United States of America shall be the maximum price for No. 1 Manitoba Northern wheat in bulk in store Fort William/Port Arthur specified in paragraph 1 of this Article, computed by using the prevailing rate of exchange and by making such allowance for difference in quality as may be agreed between the exporting country and the importing country concerned.

3. The equivalent minimum price for bulk wheat for:

(a) No. 1 Manitoba Northern wheat f.o.b. Vancouver,

(b) f.a.q. wheat f.o.b. Australia,

(c) sample wheat of France (minimum natural weight seventy-six kilograms per

hectolitre; minimum protein content ten per cent; maximum dockage and moisture content two per cent and fifteen per cent respectively) f.o.b. French ports,

(d) f.a.q. top grade wheat f.o.b. Uruguay,

(i) No. 1 Hard Winter wheat f.o.b. Gulf/Atlantic ports of the United States of America, and

(f) No. 1 Soft White wheat or No. 1 Hard Winter wheat f.o.b. Pacific ports of the United States of America,

shall be respectively:

the f.o.b. prices Vancouver, Australia, France, Uruguay, United States of America Gulf/Atlantic ports and the United States of America Pacific ports equivalent to the c. & f. prices in the United Kingdom of Great Britain and Northern Ireland of the minimum prices for No. 1 Manitoba Northern wheat in bulk in store Fort William/Port Arthur specified in paragraph 1 of this Article, computed by using currently prevailing transportation costs and exchange rates and, in those importing countries where a quality differential is recognized, by making such allowance for difference in quality as may be agreed between the exporting country and the importing country concerned.

4. The Executive Committee may, in consultation with the Advisory Committee on Price Equivalents, at any date subsequent to August 1, 1949, designate any description of wheat other than those specified in paragraphs 2 and 3 above and determine the minimum and maximum price equivalents thereof; provided that in the case of any other description of wheat the price equivalent of which has not yet been determined, the minimum and maximum prices for the time being shall be derived from the minimum and maximum prices of the description of wheat specified in this Article, or subsequently designated by the Executive Committee in consultation with the Advisory Committee on Price Equivalents, which is most closely comparable to such other description, by the addition of an appropriate premium or by the deduction of an appropriate discount.

5. If any exporting or importing country represents to the Executive Committee that any price equivalent established under paragraph 2, 3, or 4 of this Article is, in the light of current transportation or exchange rates or market premiums or discounts, no longer fair, the Executive Committee shall consider the matter and may, in consultation with the Advisory Committee on Price Equivalents, make such adjustment as it considers desirable.

6. If a dispute arises as to what premium or discount is appropriate for the purposes of paragraphs 4 and 5 of this Article in respect of any description of wheat specified in paragraph 2 or 3 or designated under paragraph 4 of this Article, the Executive Committee, in consultation with the Advisory Committee on Price Equivalents, shall on the request of the exporting or importing country concerned decide the issue.

7. All decisions of the Executive Committee under paragraphs 4, 5, and 6 of this Article shall be binding on all exporting and importing countries, provided that any of those countries which considers that any such decision is disadvantageous to it may ask the Council to review that decision.

8. In order to encourage and expedite the conclusion of transactions in wheat between them at prices mutually acceptable in the light of all the circumstances, the exporting and importing countries, while reserving to themselves complete liberty of action in the determination and administration of their internal agricultural and price policies, shall endeavour not to operate those policies in such a way as to impede the free movement of prices between the maximum price and the minimum price in respect of transactions in wheat into which the exporting and importing countries are prepared to enter. Should any exporting or importing country consider that it is suffering hardship as the result of such policies, it may draw the attention of the Council to the matter and the Council shall inquire into and make a report on the complaint.

ARTICLE VII

Stocks

1. In order to assure supplies of wheat to importing countries, each exporting country shall endeavour to maintain stocks of old crop wheat at the end of its crop-year at a level adequate to ensure that it will fulfil its guaranteed sales under this Agreement in each subsequent crop-year.

2. In the event of a short crop being harvested by an exporting country, particular consideration shall be given by the Council to the efforts made by that exporting country to maintain adequate stocks as required by paragraph 1 of this Article before that country is relieved of any of its obligations under Article X.

3. In order to avoid disproportionate purchases of wheat at the beginning and end of a crop-year, which might prejudice the stabilization of prices under this Agreement and render difficult the fulfilment of the obligations of all exporting and importing countries, importing countries shall endeavour to maintain adequate stocks at all times.

4. In the event of an appeal by an importing country under Article XII, particular con-

sideration shall be given by the Council to the efforts made by that importing country to maintain adequate stocks as required by paragraph 3 of this Article before it decides in favour of such an appeal.

ARTICLE VIII

Information to be supplied to the Council

The exporting and importing countries shall report to the Council, within the time prescribed by it, such information as the Council may request in connection with the administration of this Agreement.

PART 3—ADJUSTMENT OF GUARANTEED QUANTITIES

ARTICLE IX

Adjustments in Case of Nonparticipation or Withdrawal of Countries

1. In the event of any difference occurring between the total of the guaranteed purchases in Annex A to Article III and the total of the guaranteed sales in Annex B to Article III as a result of any country or countries listed in Annex A or Annex B (a) not signing or (b) not depositing an instrument of acceptance of or (c) withdrawing under paragraph 5, 6, or 7 of Article XXII from or (d) being expelled under Article XIX from or (e) being found by the Council under Article XIX to be in default of the whole or part of its guaranteed quantities under this Agreement, the Council shall, without prejudice to the right of any country to withdraw from this Agreement under paragraph 6 of Article XXII, adjust the remaining guaranteed quantities so as to make the total in the one Annex equal to the total in the other Annex.

2. The adjustment under this Article shall, unless the Council decides otherwise by two-thirds of the votes cast by the exporting countries and two-thirds of the votes cast by the importing countries, be made by reducing pro rata the guaranteed quantities in Annex A or Annex B, as the case may be, by the amount necessary to make the total in the one Annex equal to the total in the other Annex.

3. In making adjustments under this Article, the Council shall keep in mind the general desirability of maintaining the total guaranteed purchases and the total guaranteed sales at the highest possible level.

ARTICLE X

Adjustment in Case of Short Crop or Necessity to Safeguard Balance of Payments or Monetary Reserves

1. Any exporting or importing country which fears that it may be prevented, by a short crop in the case of an exporting country or the necessity to safeguard its balance of payments or monetary reserves in the case of an importing country, from carrying out its obligations under this Agreement in respect of a particular crop-year shall report the matter to the Council.

2. If the matter reported relates to balance of payments or monetary reserves, the Council shall seek and take into account, together with all facts which it considers relevant, the opinion of the International Monetary Fund, as far as the matter concerns a country which is a member of the Fund, on the existence and extent of the necessity referred to in paragraph 1 of this Article.

3. The Council shall discuss with the reporting country the matter reported under paragraph 1 of this Article and shall decide whether such country's representations are well founded. If it finds that they are well founded, it shall decide whether and to what extent and on what conditions the reporting country shall be relieved of its guaranteed quantity for the crop-year concerned. The Council shall inform the reporting country of its decision.

4. If the Council decides that the reporting country shall be relieved of the whole or part of its guaranteed quantity for the crop-year concerned, the following procedure shall apply:

(a) The Council shall, if the reporting country is an importing country, invite the other importing countries, or, if the reporting country is an exporting country, invite the other exporting countries, to increase their guaranteed quantities for the crop-year concerned up to the amount of the guaranteed quantity of which the reporting country is relieved; provided that an increase in the guaranteed quantities of an exporting country shall require approval by the Council by two-thirds of the votes cast by the exporting countries and two-thirds of the votes cast by the importing countries if any importing country, within such period as the Council shall prescribe, objects to such increase on the ground that it will have the effect of making the balance of payments problems of that importing country more difficult.

(b) If the amount of which the importing country is relieved cannot be fully offset in the manner provided in (a) of this paragraph, the Council shall invite the exporting countries, if the reporting country is an importing country, or the importing countries, if the reporting country is an exporting country, to accept a reduction of their guaranteed quantities for the crop-year concerned up to the amount of the guaranteed quantity of which the reporting country is relieved, after taking account of any adjustments made under (a) of this paragraph.

(c) If the total offers received by the Council from the exporting and importing countries to increase their guaranteed quantities under (a) of this paragraph or to reduce their guaranteed quantities under (b) of this paragraph exceed the amount of the guaranteed quantity of which the reporting country is relieved, their guaranteed quantities shall, unless the Council decides otherwise, be increased or reduced, as the case may be, on a pro rata basis, provided that the increase or reduction of the guaranteed quantity of any such country shall not exceed its offer.

(d) If the amount of the guaranteed quantity of which the reporting country is relieved cannot be fully offset in the manner provided in (a) and (b) of this paragraph, the Council shall reduce the guaranteed quantities in Annex A to Article III, if the reporting country is an exporting country, or in Annex B to Article III, if the reporting country is an importing country, for the crop-year concerned by the amount necessary to make the total in the one Annex equal to the total in the other Annex. Unless the exporting countries, in the case of a reduction in Annex B, or the importing countries, in the case of a reduction in Annex A, agree otherwise, the reduction shall be made on a pro rata basis, account being taken of any reduction already made under (b) of this paragraph.

ARTICLE XI

Increase of Guaranteed Quantities by Consent

The Council may at any time, upon request by an exporting or importing country, approve an increase in the figures in one Annex for the remaining period of this Agreement if an equal increase is made in the other Annex for that period, provided that the exporting and importing countries whose figures would thereby be changed consent.

ARTICLE XII

Additional Purchases in Case of Critical Need

In order to meet a critical need which has arisen or threatens to arise in its territory, an importing country may appeal to the Council for assistance in obtaining supplies of wheat in addition to its guaranteed purchases. On consideration of such an appeal the Council may reduce pro rata the guaranteed quantities of the other importing countries in order to provide the quantity of wheat which it determines to be necessary to relieve the emergency created by the critical need provided that it considers that such emergency cannot be met in any other manner. Two-thirds of the votes cast by the exporting countries and two-thirds of the votes cast by the importing countries shall be required for any reduction of guaranteed purchases under this paragraph.

PART 4—ADMINISTRATION

ARTICLE XIII

The Council

A. Constitution

1. An International Wheat Council is hereby established to administer this Agreement.

2. Each exporting country and each importing country shall be a voting member of the Council and may be represented at its meetings by one delegate, one alternate, and advisers.

3. Any country which the Council recognizes as an irregular exporter or an irregular importer of wheat may become a non-voting member of the Council, provided that it accepts the obligations prescribed in Article VIII and agrees to pay such membership fees as shall be determined by the Council. Each country which is a non-voting member of the Council shall be entitled to have one representative at its meetings.

4. The Food and Agriculture Organization of the United Nations, the International Trade Organization, the Interim Co-ordinating Committee for International Commodity Arrangements, and such other intergovernmental organizations as the Council may decide, shall each be entitled to have one non-voting representative at meetings of the Council.

5. The Council shall elect for each crop-year a Chairman and a Vice Chairman.

B. Powers and Functions

6. The Council shall establish its rules of procedure.

7. The Council shall keep such records as are required by the terms of this Agreement and may keep such other records as it considers desirable.

8. The Council shall publish an annual report and may publish any other information concerning matters within the scope of this Agreement.

9. The Council, after consultation with the International Wheat Council established under the Memorandum of Agreement approved in June 1942 and amended in June 1946, may take over the records, assets and liabilities of that body.

10. The Council shall have such other powers and perform such other functions as it may deem necessary to carry out the terms of this Agreement.

11. The Council may, by two-thirds of the votes cast by the exporting countries and two-thirds of the votes cast by the importing countries, delegate the exercise of any of its powers or functions. The Council may at any time revoke such delegation by a majority of the votes cast. Any decision made under any powers or functions delegated by the Coun-

cil in accordance with this paragraph shall be subject to review by the Council at the request of any exporting or importing country made within a period which the Council shall prescribe. Any decision, in respect of which no request for review has been made within the prescribed period, shall be binding on all exporting and importing countries.

C. Voting

12. The importing countries shall hold 1,000 votes, which shall be distributed between them in the proportions which their respective guaranteed purchases for the current crop-year bear to the total of the guaranteed purchases for that crop-year. The exporting countries shall also hold 1,000 votes, which shall be distributed between them in the proportions which their respective guaranteed sales for the current crop-year bear to the total of the guaranteed sales for that crop-year. No exporting country or importing country shall have less than one vote and there shall be no fractional votes.

13. The Council shall redistribute the votes in accordance with the provisions of paragraph 12 of this Article whenever there is any change in the guaranteed purchases or guaranteed sales for the current crop-year.

14. If an exporting or an importing country forfeits its votes under paragraph 5 of Article XVII or is deprived of its votes under paragraph 3 of Article XIX, the Council shall redistribute the votes as if that country had no guaranteed quantity for the current crop-year.

15. Except where otherwise specified in this Agreement, decisions of the Council shall be by a majority of the total votes cast.

16. Any exporting country may authorize any other exporting country, and any importing country may authorize any other importing country, to represent its interests and to exercise its votes at any meeting or meetings of the Council. Evidence of such authorization satisfactory to the Council shall be submitted to the Council.

D. Sessions

17. The Council shall meet at least once during each half of each crop-year and at such other times as the Chairman may decide.

18. The Chairman shall convene a Session of the Council if so requested by (a) any five delegates of the exporting and importing countries or (b) the delegate or delegates of any of the exporting and importing countries holding a total of not less than ten per cent of the total votes or (c) the Executive Committee.

E. Quorum

19. The presence of delegates with a majority of the votes held by the exporting countries and a majority of the votes held by the importing countries shall be necessary to constitute a quorum at any meeting of the Council.

F. Seat

20. The Council shall select in July, 1949, its temporary seat. The Council shall select, so soon as it deems the time propitious, its permanent seat after consultation with the appropriate organs and specialized agencies of the United Nations.

G. Legal Capacity

21. The Council shall have in the territory of each exporting and importing country such legal capacity as may be necessary for the exercise of its functions under this Agreement.

H. Decisions

22. Each exporting and importing country undertakes to accept as binding all decisions of the Council under the provisions of this Agreement.

ARTICLE XIV

Executive Committee

1. The Council shall establish an Executive Committee. The members of the Executive Committee shall be three exporting countries elected annually by the exporting countries and not more than seven importing countries elected annually by the importing countries. The Council shall appoint the Chairman of the Executive Committee and may appoint a Vice Chairman.

2. The Executive Committee shall be responsible to and work under the general direction of the Council. It shall have such powers and functions as are expressly assigned to it under this Agreement and such other powers and functions as the Council may delegate to it under paragraph 11 of Article XIII.

3. The exporting countries on the Executive Committee shall have the same total number of votes as the importing countries. The votes of the exporting countries shall be divided among them as they shall decide, provided that no exporting country shall have more than forty per cent of the total votes of the exporting countries. The votes of the importing countries shall be divided among them as they shall decide, provided that no importing country shall have more than forty per cent of the total votes of the importing countries.

4. The Council shall prescribe rules of procedure regarding voting in the Executive Committee, and may make such other pro-

visions regarding rules of procedure in the Executive Committee as it thinks fit. A decision of the Executive Committee shall require the same majority of votes as this Agreement prescribes for the Council when making a decision on a similar matter.

5. Any exporting or importing country which is not a member of the Executive Committee may participate, without voting, in the discussion of any question before the Executive Committee whenever the latter considers that the interests of that country are affected.

ARTICLE XV

Advisory Committee on Price Equivalents

The Council shall establish an Advisory Committee on Price Equivalents consisting of representatives of three exporting countries and of three importing countries. The Committee shall advise the Council and the Executive Committee on the matters referred to in paragraphs 4, 5 and 6 of Article VI and on such other questions as the Council or the Executive Committee may refer to it. The Chairman of the Committee shall be appointed by the Council.

ARTICLE XVI

The Secretariat

1. The Council shall have a Secretariat consisting of a Secretary and such staff as may be required for the work of the Council and of its committees.

2. The Council shall appoint the Secretary and determines his duties.

3. The staff shall be appointed by the Secretary in accordance with regulations established by the Council.

ARTICLE XVII

Finance

1. The expenses of delegations to the Council, of representatives on the Executive Committee, and of representatives on the Advisory Committee on Price Equivalents shall be met by their respective Governments. The other expenses necessary for the administration of this Agreement, including those of the Secretariat and any remuneration which the Council may decide to pay to its Chairman or its Vice-Chairman, shall be met by annual contributions from the exporting and importing countries. The contribution of each such country for each crop-year shall be proportionate to the number of votes held by it when the budget for that crop-year is settled.

2. At its first Session, the Council shall approve its budget for the period ending July 31, 1950 and assess the contribution to be paid by each exporting and importing country.

3. The Council shall, at its first Session during the second half of each crop-year, approve its budget for the following crop-year and assess the contribution to be paid by each exporting and importing country for that crop-year.

4. The initial contribution of any exporting or importing country acceding to this Agreement under Article XXI shall be assessed by the Council on the basis of the number of votes to be held by it and the period remaining in the current crop-year, but the assessments made upon other exporting and importing countries for the current crop-year shall not be altered.

5. Contributions shall be payable immediately upon assessment. Any exporting or importing country failing to pay its contribution within one year of its assessment shall forfeit its voting rights until its contribution is paid, but shall not be deprived of its other rights nor relieved of its obligations under this Agreement. In the event of any exporting or importing country forfeiting its voting rights under this paragraph its votes shall be redistributed as provided in paragraph 14 of Article XIII.

6. The Council shall, each crop-year, publish an audited statement of its receipts and expenditures in the previous crop-year.

7. The government of the country where the temporary or permanent seat of the Council is situated shall grant exemption from taxation on the salaries paid by the Council to its employees except that such exemption need not apply to the nationals of that country.

8. The Council shall, prior to its dissolution, provide for the settlement of its liabilities and the disposal of its records and assets upon the termination of this agreement.

ARTICLE XVIII

Co-operation With Other Intergovernmental Organizations

1. The Council shall make whatever arrangements are required for consultation and co-operation with the appropriate organs of the United Nations and its specialized agencies and with other intergovernmental organizations.

2. If the Council finds that any terms of this Agreement are materially inconsistent with such requirements as may be laid down by the United Nations or through its appropriate organs and specialized agencies regarding intergovernmental commodity agreements, the inconsistency shall be deemed to be a circumstance affecting adversely the operation of this Agreement and the procedure prescribed in paragraphs 3, 4 and 5 of Article XXII shall be applied.

ARTICLE XIX

Disputes and Complaints

1. Any dispute concerning the interpretation or application of this Agreement which is not settled by negotiation and any complaint that any exporting or importing country has failed to fulfil its obligations under this Agreeement, shall, at the request of any exporting or importing country party to the dispute or making the complaint, be referred to the Council which shall make a decision on the matter.

2. No exporting or importing country shall be found to have committed a breach of this Agreement except by a majority of the votes held by the exporting countries and a majority of the votes held by the importing countries. Any finding that an exporting or importing country is in breach of this Agreement shall specify the nature of the breach and, if the breach involves default by that country in its guaranteed quantities, the extent of such default.

3. If the Council finds that an exporting country or an importing country has committed a breach of this Agreement, it may, by a majority of the votes held by the exporting countries and a majority of the votes held by the importing countries, deprive the country concerned of its voting rights until it fulfils its obligations or expel that country from the Agreement.

4. If any exporting or importing country is deprived of its votes under this Article, the votes shall be redistributed as provided in paragraph 14 of Article XIII. If any exporting or importing country is found in default of the whole or part of its guaranteed quantities or is expelled from this Agreement, the remaining guaranteed quantities shall be adjusted as provided in Article IX.

PART 5—FINAL PROVISIONS

ARTICLE XX

Signature, Acceptance, and Entry into Force

1. This Agreement shall be open for signature in Washington until April 15, 1949, by the Governments of the countries listed in Annex A and Annex B to Article III.

2. This agreement shall be subject to acceptance by signatory Governments in accordance with their respective constitutional procedures. Subject to the provisions of paragraph 4 of this Article, instruments of acceptance shall be deposited with the Government of the United States of America not later than July 1, 1949.

3. Provided that the Governments of countries listed in Annex A to Article III responsible for not less than seventy per cent of the guaranteed purchases and the Governments of countries listed in Annex B to Article III responsible for not less than eighty per cent of the guaranteed sales have accepted this Agreement by July 1, 1949, Parts 1, 3, 4, and 5 of the Agreement shall enter into force on July 1, 1949, between those Governments which have accepted it. The Council shall fix a date which shall not be later than September 1, 1949, on which Part 2 of this Agreement shall enter into force between those Governments which have accepted it.

4. Any signatory Government which has not accepted this Agreement by July 1, 1949, may be granted by the Council an extension of time after that date for depositing its instrument of acceptance. Parts 1, 3, 4, and 5 of this Agreement shall enter into force for that Government on the date of the deposit of its instrument of acceptance, and Part 2 of the Agreement shall enter into force for that Government on the date fixed under paragraph 3 of this Article for the entry into force of that Part.

5. The Government of the United States of America will notify all signatory Governments of each signature and acceptance of this Agreement.

ARTICLE XXI

Accession

The Council may, by two-thirds of the votes cast by the exporting countries and two-thirds of the votes cast by the importing countries, approve accession to this Agreement by any Government not already a party to it and prescribe conditions for such accession. Accession shall be effected by depositing an instrument of accession with the Government of the United States of America, which will notify all signatory and acceding Governments of each such accession.

ARTICLE XXII

Duration, Amendment, Withdrawal and Termination

1. This Agreement shall remain in force until July 31, 1953.

2. The Council shall, not later than July 31, 1952, communicate to the exporting and importing countries its recommendations regarding the renewal of this Agreement.

3. If circumstances arise which, in the opinion of the Council, affect or threaten to affect adversely the operation of this Agreement, the Council may, by a majority of the votes held by the exporting countries and a majority of the votes held by the importing countries, recommend an amendment of this Agreement to the exporting and importing countries.

4. The Council may fix a time within which each exporting and importing country shall notify the Government of the United States of America whether or not it accepts the amendment. The amendment shall become effective upon its acceptance by exporting countries which hold two-thirds of the votes of the exporting countries and by importing countries which hold two-thirds of the votes of the importing countries.

5. Any exporting or importing country which has not notified the Government of the United States of America of its acceptance of an amendment by the date on which such amendment becomes effective may, after giving such written notice of withdrawal to the Government of the United States of America as the Council may require in each case, withdraw from this Agreement at the end of the current crop-year, but shall not thereby be released from any obligations under this Agreement which have not been discharged by the end of that crop-year.

6. Any exporting country which considers its interests to be seriously prejudiced by the nonparticipation in or withdrawal from this Agreement of any country listed in Annex A to Article III responsible for more than five per cent of the guaranteed quantities in that Annex, or any importing country which considers its interests to be seriously prejudiced by the nonparticipation in or withdrawal from the Agreement of any country listed in Annex B to Article III responsible for more than five per cent of the guaranteed quantities in that Annex, may withdraw from this Agreement by giving written notice of withdrawal to the Government of the United States of America before September 1, 1949 or such earlier date as the Council may fix by two-thirds of the votes cast by the exporting countries and by two-thirds of the votes cast by the importing countries.

7. Any exporting or importing country which considers its national security to be endangered by the outbreak of hostilities may withdraw from this Agreement by giving thirty days' written notice of withdrawal to the Government of the United States of America.

8. The Government of the United States of America will inform all signatory and acceding Governments of each notification and notice received under this Article.

ARTICLE XXIII

Territorial Application

1. Any Government may, at the time of signature or acceptance of or accession to this Agreement, declare that its rights and obligations under the Agreement shall not apply in respect of all or any of the overseas territories for the foreign relations of which it is responsible.

2. With the exception of territories in respect of which a declaration has been made in accordance with paragraph 1 of this Article, the rights and obligations of any Government under this Agreement shall apply in respect of all territories for the foreign relations of which that Government is responsible.

3. Any Government may, at any time after its acceptance of or accession to this Agreement, by notification to the Government of the United States of America, declare that its rights and obligations under the Agreement shall apply in respect of all or any of the territories regarding which it has made a declaration in accordance with paragraph 1 of this Article.

4. Any Government may, by giving notification of withdrawal to the Government of the United States of America, withdraw from this Agreement separately in respect of all or any of the overseas territories for whose foreign relations it is responsible.

5. The Government of the United States of America will inform all signatory and acceding Governments of any declaration or notification made under this Article.

In witness whereof the undersigned, having been duly authorized to this effect by their respective Governments, have signed this Agreement on the dates appearing opposite their signatures.

Done at Washington, this twenty-third day of March 1949, in the English and French languages, both texts being equally authentic, the original to be deposited in the archives of the Government of the United States of America, which shall transmit certified copies thereof to each signatory and acceding Government.

For Australia:
Pour l'Australie:

For Austria:
Pour l'Autriche:

For Belgium:
Pour la Belgique:

For Bolivia:
Pour la Bolivie:

For Brazil:
Pour le Bresil:

For Canada:
Pour le Canada:

For Ceylon:
Pour Ceylan:

For China:
Pour la Chine:

For Colombia:
Pour la Colombie:

For Cuba:
Pour Cuba:

For Denmark:
Pour le Danemark:

For the Dominican Republic:
Pour la République Dominicaine:

For Equador:
Pour l'Equateur:

For Egypt:
Pour l'Egypte:

For El Salvador:
Pour Le Salvador:

For France:
Pour la France:

For Greece:
Pour la Grece:

For Guatemala:
Pour le Guatemala:

For India:
Pour l'Inde:

For Ireland:
Pour l'Irlande:

For Israel:
Pour Israel:

For Italy:
Pour l'Italie:

For Lebanon:
For le Liban:

For Liberia:
Pour le Liberia:

For Mexico:
Pour le Mexique:

For the Netherlands:
Pour les Pays-Bas:

For New Zealand:
Pour la Nouvelle-Zelande:

For Nicaragua:
Pour le Nicaragua:

For Norway:
Pour la Norvege:

For Panama:
Pour le Panama:

For Paraguay:
Pour le Paraguay:

For Peru:
Pour le Perou:

For the Republic of the Philippines:
Pour la République des Philippines:

For Portugal:
Pour le Portugal:

For Saudi Arabia:
Pour l'Arabie Saoudite:

For Sweden:
Pour la Suede:

For Switzerland:
Pour la Suisse:

For the Union of South Africa:
Pour l'Union Sud-Africaine:

For the United Kingdom of Great Britain and Northern Ireland:
Pour le Royaume-Uni de Grande-Bretagne et d'Irlande du Nord:

For the United States of America:
Pour les Etats-Unis d'Amerique:

For Uruguay:
Pour l'Uruguay:

For Venezuela:
Pour le Venezuela:

THE SENATE

Saturday, April 30, 1949

The Senate met at 11 a.m., the Speaker in the Chair.

Prayers and routine proceedings.

PROROGATION OF PARLIAMENT

The Hon. the Speaker informed the Senate that he had received a communication from the Assistant Secretary of the Governor General, acquainting him that the Hon. Thibaudeau Rinfret, acting as Deputy of His Excellency the Governor General, would proceed to the Senate Chamber this day at 12 noon for the purpose of proroguing the present session of parliament.

CANADA'S NATIONAL CAPITAL

DOCUMENTS TABLED

Hon. Wishart McL. Robertson: I should like to table copies in English and in French of the preliminary report by Jacques Greber, Consultant to the National Capital Planning Committee, on the plan for the National Capital. I should also like to table a memorandum by the National Capital Planning Committee which contains comments relating to the proposed plan.

The present preliminary report by Mr. Greber has been endorsed by the National Capital Planning Committee and the Federal District Commission. It was forwarded by the commission to the government only this week, and as yet the government has had no opportunity to study it. However, in view of the frequent indications by honourable members of their interest in the report and their desire to have it made public at as early a date as possible, it seems best to table it at this stage. Certain parts of the plan have been submitted separately from time to time to the government and have been approved in order that some preliminary arrangements might go forward. Information about these had been communicated to the house at various times. The present preliminary report will be followed at a later date by a final revised report, which will not differ in substance but will contain additional plans and maps.

The idea of developing the capital of Canada so as to take advantage of its splendid natural location in the City of Ottawa, and to produce a city appropriate to the stature of Canada, has engaged the attention of Canadian statesmen ever since this country became a nation. Even before confederation, a step was taken to make the best use of this location. Sir John A. Macdonald had the vision to seize upon the commanding site of Parliament Hill for the three central buildings of the capital. His plan to use the entire hill in that way was attacked at the time as being excessively grandiose, costly, and far beyond the needs of the country. Had his critics been listened to, the capital of Canada would not occupy its present impressive situation. Sir Wilfrid Laurier etsablished the Ottawa Improvement Commission, which subsequently became the Federal District Commission. In 1913 Sir Robert Borden set up the Holt Commission to prepare plans for the capital, but the advent of the First World War prevented its execution. Since that time the Right Honourable W. L. Mackenzie King has been the moving spirit in the project to create a better national capital. He has given generously of his assistance, counsel and encouragement, and the present report is the outcome of his initiative.

I mention the interest of these four great leaders of Canada in the development of the National Capital in order to emphasize that this is not a political or controversial matter in any way.

The plan I am tabling is not a government plan, but is a report based upon objective and expert study to determine how, in building a capital of which every Canadian will be proud, we can make the best use of what nature has provided. Perhaps I should also stress the fact that the production of the present plan is a beginning, not an end; it is a guide to help in the long-term development of the capital as it grows with the needs of Canada over many years. Plans for the National Capital have been produced before, and the capital has suffered because those plans were not followed. Each year's unplanned growth has made proper development more difficult and costly. It is to be hoped that the present plan will ensure a sound basis for future development. Co-operation from the provinces, and especially from the municipalities, will be needed. For instance, the proper zoning which is essential can only be provided by the municipalities. With co-operation and the foresight to appreciate the great development that Canada will achieve, we can undoubtedly produce one of the most beautiful capitals in the world.

Right Hon. Mr. Mackenzie: May I ask my honourable friend a question? I do not intend it to be embarrassing. Has the government given any indication of when, if it is returned to power—as I am sure it will be—it expects to start carrying out the plan which the honourable leader has so well outlined to this chamber?

Hon. Mr. Robertson: Honourable senators, I am unable to give a definite answer to my right honourable friend's question. My impression is that an appropriation for the National Capital Fund was included in the estimates of last year, and I fancy there is a similar item in this year's estimates. Unlike ordinary votes of money, an appropriation for this fund does not expire at the end of the fiscal year in which it is voted, but remains in effect until utilized; and I think that the amount standing to the credit of the fund has reached a considerable size. I believe the proposed bridge across the Rideau canal and perhaps other parts of the scheme are in process of being carried out, or at any rate that negotiations with respect to them are going on, but that the report now presented deals principally with projected undertakings which have not yet been finally approved and may in fact be modified after further consideration.

Hon. R. B. Horner: Honourable senators, I wish to make a few remarks from my own personal point of view, as I do not claim to be speaking on behalf of any party. I believe that first things should come first, and that our primary concern should be to make sure that we have a population healthy and wealthy enough to support the kind of national capital that is proposed. Instead of spending large sums on tearing down properties that are giving good service to our present population, it would be wiser to use the money in irrigating large areas of the West, and so making it possible for millions of additional people to live out there. After they had become established, the federal treasury would have a larger income to support this proposed costly scheme of beautifying Ottawa.

Perhaps my feeling about this matter is inspired to some degree by a Bible story which I remember from my boyhood days, the parable of a certain rich man. His land was yielding plentiful crops, so much so that he felt he did not have sufficient room in which to store them, and he said "I will pull down my barns, and build greater;" but just as he made up his mind to do that his soul was required of him. I suggest, honourable senators, that it would be rather unfortunate if we spent large sums of money on making our national capital more beautiful, and afterwards lost the capital to an enemy because our population was not large enough for our own defence. I suppose the parable also was intended to stress the superiority of spiritual things over material wealth. These plans for beautifying our national capital perhaps reflect a certain pride in material development, and it might be well if we took the parable to heart, even at this date.

Hon. Norman P. Lambert: Honourable senators, I should like to say just a word about the report that has been tabled. At nearly every session the plan for the development of Ottawa as a national capital is referred to in this chamber without, seemingly, any appreciation of what has already been done about the plan or what is proposed to be done. The booklet received through the mail by every member of parliament and the extensive display of the Greber plan for Ottawa in this morning's paper are really the culmination of work done during the past five years.

Five years ago a joint committee of both houses was formed following the declaration by the former Prime Minister, Mr. King, that the capital city of Ottawa should be a fit memorial to the men who fought in the Canadian armed forces. After six weeks study that committee presented a report, which was unanimously adopted by parliament. It has formed the basis not only for the establishment of a national capital city worthy of its name, but also for the general improvement of the area within the jurisdiction of the Federal District Commission.

This subject would have received much more practical attention were we considering today the bill which should come up this year concerning a grant by the federal government to the city of Ottawa. Such a bill would have brought into direct focus the considerations which are at stake in this whole matter. Without wishing to prolong the discussion, I would venture to say that when the election is over and a new session is called in the fall, the subject of the federal grant to the city of Ottawa will bring directly to our attention the problems involved in the carrying out of this proposed plan, which is purely projective.

The Greber report is not the first of its kind; thirty years ago we had the Holt report, which in the main differed but slightly from the projected plan now before us. There are many practical problems affecting the city of Ottawa, the surrounding municipalities and the federal government. The remarks of my honourable friend from Blaine Lake (Hon. Mr. Horner) represent the natural considerations and the point of view of a person from a distant province which is at an early stage of its development and whose needs are still great. Nevertheless, the establishment in Ottawa and the surrounding district of a capital worthy of the national aspirations and sentiment of this country, is something

very worth while; and will have a far-reaching influence in the making of a Canada which is in keeping with her pretentious efforts, especially in an international way, to assume the proportions of nationhood.

If the members of this house and the other place give careful consideration to this report, and realize that it is the culmination of a great deal of study and work, they should give it their ready approval. I do not propose to go into the details of the problems which concern the parties to the project, but they are very real. I do not think that even gradual progress can be made with the development until there is a radical and fundamental change in the relationship between the federal authorities and the municipalities involved. Whether the development will require the creation of a federal district, with a federal commission similar to the one that exists for the District of Columbia, I am not prepared to say; but a more definite and practical basis of working out certain very important problems involving assessment and taxation in these municipalities will be needed before satisfactory progress can be made with this plan.

INCOME TAX

TIME FOR FILING RETURNS

Hon. G. Lacasse: Honourable senators, if I may be permitted, I should like to draw attention to a matter which, it cannot be denied, has some of the characteristics of an emergency. Today is the dead-line for the payment of income tax, and if that is not urgent, I do not know what is. Today also is a Saturday, so that the time for filing returns does not extend until midnight; it will expire in twenty minutes. All the offices in the country will close at noon, and our people will be deprived of a full half day, which may mean a lot to many of them.

I do not speak for myself, because my return is in. I worked on it all night and until 7 o'clock this morning, and although I may be a "late senator" before my death, my 1948 return is filed. But as I left my room a few moments ago I met my accountant, who gave me two very arresting facts in support of what I am about to say, and I respectfully appeal to the representative of the government in this chamber to request the powers that be, and specifically the Minister of Finance and the Minister of National Revenue, to extend by a week or ten days the time for filing returns. I ask this for two main reasons, neither of which, as I have said, affects me personally. The first is that, because of bad roads and floods many people throughout the country, mostly farmers, have been unable to complete their returns because of inability to get in touch with their agents or accountants in the cities. The resulting delay is in no way their fault, and it will work a hardship upon them to be required to pay a penalty when they are not to blame.

My second reason for this request is that in previous years people have been accommodated—or if you will, spoiled—by an extension of one month. This year the dead-line is April 30th, and as it falls on Saturday, the period for completing the report is still further shortened by several hours. Moreover, I am informed, the current forms were not issued by the department until the end of January, and it seems to me that the government, by way of compensation, might well extend somewhat the period for the return of the reports. I know that I reflect the views of a large section of our people in making this request at this time.

Hon. Mr. Robertson: I am quite willing to communicate to my colleagues the Minister of Finance and the Minister of National Revenue the suggestion of the honourable member from Essex (Hon. Mr. Lacasse).

BUSINESS OF THE SENATE

Hon. Mr. Robertson: As there is no further business before us at the moment, I move that the house adjourn during pleasure, to re-assemble at the call of the bell.

The Senate adjourned during pleasure.

The sitting was resumed.

APPROPRIATION BILL No. 4

FIRST READING

A message was received from the House of Commons with Bill 248, an Act for granting to His Majesty certain sums of money for the public service of the financial year ending the 31st of March, 1950.

The bill was read the first time.

SECOND READING

Hon. Wishart McL. Robertson moved the second reading of the bill.

He said: Honourable senators, this bill is in the same form as the Interim Supply Bill passed by this house at the end of last March, and today's procedure is the same as that followed in April 1945, when parliament was dissolved before the main estimates were passed. Honourable senators will recall that in the Interim Supply Bill that was before us last March, one-sixth of the total estimates, or two months' supply, was asked for. In

addition, certain other sums were asked for in order to cover expenditures that were not evenly distributed throughout the financial year but were heaviest in the opening months. This time one-third of all the estimates, $460,291,082, is asked for, and, as was the case last March, certain additional sums are requested.

Section 2 of the bill makes provision for one-third of all estimates, and section 3 for $541,666.67. This additional sum, as is explained in schedule A of the bill, is required to provide for repairs and replacements to the equipment of the Dominion Arsenals plant of Canadian Arsenals Limited because of a fire there. A further sum of $6,390,980.33 is asked under section 4 of the bill. The explanation is contained in schedule B: agriculture requires immediate moneys for reclamation and flood prevention in the valley of the Lillooet River in British Columbia. Other sums also are required for the marketing of agricultural products. The Fisheries Department anticipates heavier expenditure in the items listed during the next few months. The Department of Mines and Resources can only carry out its surveys in the summer months, and therefore, in addition to the one-third, it is asking for certain sums. The amount requested is one-sixth of the estimates listed in schedule B.

Section 5 asks for $4,213,181, which is one-twelfth of the estimates listed in schedule C. Section 6 does not refer to the main estimates, but is based on the supplementary estimates for Newfoundland. It makes provision for $7,362,243.33, which is one-third of the total Newfoundland estimates, excepting votes 673 and 721. These two are excepted because the greater part of them has already been voted. Section 7 votes one-sixth of the items in schedule D to the bill. They are additional amounts required in respect of Newfoundland expenditures.

Honourable senators, I think it is safe to say that, regardless of what happens in the next few months, there will be no interruption of the long-established practice whereby honourable senators have full opportunity to discuss the estimates before the passing of the main supply bill. I recommend this bill to the favourable consideration of the house.

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

THIRD READING

Hon. Mr. Robertson moved the third reading of the bill.

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

The Senate adjourned during pleasure.

PROROGATION OF PARLIAMENT

ROYAL ASSENT—SPEECH FROM THE THRONE

The Right Honourable Thibaudeau Rinfret, the Deputy of the Governor General, having come and being seated at the foot of the Throne, and the House of Commons having been summoned, and being come with their Speaker, the Right Honourable the Deputy of the Governor General was pleased to give the Royal Assent to the following bills:

An Act for the relief of Francis Thomas Joseph Cleevely.

An Act for the relief of Jack William Corber.

An Act for the relief of Mildred Ida Acres Wells.

An Act for the relief of Wilhelmina Doris Guenette Parkes.

An Act for the relief of Anita Phyllis Ticktin Sacks.

An Act for the relief of Sylvia Feldman Blant.

An Act for the relief of Doris Arvilla Jackson Legassick.

An Act for the relief of Rose Klein Levin.

An Act for the relief of Thelma Wilhelmina Wintonyk Colter.

An Act for the relief of Doris MacArthur Richards Arnold.

An Act for the relief of Mary Matheson Baker.

An Act for the relief of Vivian Pauline Davies White.

An Act for the relief of Helen Hawthorne Kuhn Ellis.

An Act for the relief of Joseph Octave Jules Lapointe.

An Act for the relief of Nena Ruthen Teitelbaum.

An Act for the relief of Annie Gwendoline Mabel Gammon Noble.

An Act for the relief of Margaret Catherine McDonald White.

An Act for the relief of Howard Vincent Jones.

An Act for the relief of Matilda Schneider Hutter.

An Act for the relief of Robert William Phillips.

An Act for the relief of Ethel Rose Katz Cohen.

An Act for the relief of Edith Cecelia Cole Williams.

An Act for the relief of Agnes Mathieson Metsos.

An Act for the relief of Dorothy Fern Brown Lacoste.

An Act for the relief of Sylvia Barnett Shane.

An Act for the relief of Louise Soltanoff Rudy.

An Act for the relief of Armand Boisclair.

An Act for the relief of Mary Robertson Pangman Elder.

An Act for the relief of Merilda Normand Maury.

An Act for the relief of Janet Stevenson Ivory Stein.

An Act for the relief of Reba Schulman Schecter.

An Act for the relief of Helen Fulton Burns Clark.

An Act for the relief of Lyford Homer George.

An Act for the relief of Joan Winnifred Lewis Hawkins.

An Act for the relief of Frances Lenore Roe Robinson.

An Act for the relief of Philip Victor Thomas Rodbourn.

An Act for the relief of Dorothy Edith Entwistle Lorimer.

An Act for the relief of William Christie.

An Act for the relief of Priscilla Benning Peart.

An Act for the relief of Margaret Nelson Smith Calvert.

An Act for the relief of Shirley Pearl Claman.

An Act for the relief of Lillian Helena Cross Page.

An Act for the relief of Rosario Proulx.

An Act for the relief of Micheline Lefebvre Simpson.
An Act for the relief of Catherina Koszak Tymczuk.
An Act for the relief of Anne Warnes Rice.
An Act for the relief of Joseph Edmond Tremblay.
An Act for the relief of Grace Lambert Sturgeon.
An Act for the relief of Mary Middleton Thompson.
An Act for the relief of Gordon Aylmer Thistle Shirres.
An Act for the relief of Walter Jasper Blake.
An Act for the relief of Margaret Murray McKinnon Trenholm.
An Act for the relief of Walter Wilson McBroom.
An Act for the relief of Mabel Florence Dunk Wright.
An Act for the relief of Thomas Somerville.
An Act for the relief of Joseph Wilfrid Leon Desrosiers.
An Act for the relief of June Lucille Odell Woolnough.
An Act for the relief of Christopher Edmond Cobham.
An Act for the relief of Jack Zelinsky.
An Act for the relief of Morna Elsa Kott.
An Act for the relief of Doris Christina Meldrum Franklin.
An Act for the relief of Francis Thomas Lariviere.
An Act for the relief of Maurice Abraham Rodier.
An Act for the relief of Liselotte Karola Roer Goode.
An Act for the relief of Albert Labreche.
An Act for the relief of Bessie Drinkwater Jackson.
An Act for the relief of Bessie Shafer Cohen.
An Act for the relief of Ludmila Mach Morawetz.
An Act for the relief of Ernest Cecil George Thackway.
An Act for the relief of May Garnet Greene Lofting.
An Act for the relief of Henry John Bobinski.
An Act for the relief of Mary Eileen Birks Moorhouse.
An Act for the relief of Florence Ruby Robbins Cumby.
An Act for the relief of Kathleen Elizabeth Flookes Kerr.
An Act for the relief of Berthe Marie Madeleine Brunet Egar.
An Act for the relief of Mary Alice Eva Rivard Sharkey.
An Act for the relief of Evelyn Florence Brigden Piper.
An Act for the relief of Beatrice Violet Hudson Hineson.
An Act for the relief of Fernand Dupuis.
An Act for the relief of Frances Strakosch Alexander.
An Act for the relief of Peonie Taub Joseph.
An Act for the relief of Doris Mabel Garwood Cunningham Watt.
An Act for the relief of Marion Dorothy Hill Parker Jeffryes.
An Act for the relief of Ada Bailen Dubman.
An Act for the relief of Sarah Patricia Crowley King.
An Act for the relief of Lola Dulcenia Hill Morton.
An Act for the relief of Hilda Hodgkinson Connolly.
An Act for the relief of Norma Thompson Farrell.
An Act for the relief of Harold Charles Boyes.
An Act for the relief of Sophie Goldenberg Kovacs Feldheim.
An Act for the relief of Eva Brolofsky Richman.
An Act for the relief of Arland Farmer Webster.
An Act for the relief of Wynifred Guinevere Withrow Couch.
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An Act for the relief of Dorothy Edith Croft Douglas.
An Act for the relief of Corinne Schlein Gottlieb.
An Act for the relief of Zelma Alexander Singer.
An Act for the relief of Katherine Adamakos Koussaya.
An Act for the relief of Margaret Hyams Boldovitch.
An Act for the relief of Frederick Cecil Carratt.
An Act for the relief of Anne Harris Shefler.
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An Act for the relief of Ida Ker Davies Kinnon.
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An Act for the relief of Violette Blanche Heuff McKenna.
An Act for the relief of Dorothy Elizabeth Amos Nicol.
An Act for the relief of George Henry Burney.
An Act for the relief of Leonne Dufresne Patenaude.
An Act for the relief of Audrey Blanche Duncan Myers.
An Act for the relief of Brenda Denise Fuller Martin.
An Act for the relief of Suzanne Gundermann Wallis.
An Act for the relief of Margaret Ellen Joan Clayton Dullege.
An Act for the relief of Laura Goldstein Rosen.
An Act for the relief of Doris Mazer Goldsmith.
An Act for the relief of Marjorie Violet Schratwiser Cadham.
An Act for the relief of Ross Robert Baskin.
An Act for the relief of Ann Frances Gray Hirst.
An Act for the relief of Effie Violet Mugford Knox.
An Act for the relief of Freda Hersch Nishmas.
An Act for the relief of Mildred Davidon Liberman.
An Act for the relief of Raymond Joseph Louis Guay.
An Act for the relief of Hyman Herbert Schwartz.
An Act for the relief of Dorothy Mary Ward Bryant.
An Act for the relief of Audrey Frances Stokes Lambert.
An Act for the relief of Marie Katherine O'Connell Ball.
An Act for the relief of Stephen Henry Jones.
An Act for the relief of Diane Grossman Botner.
An Act for the relief of Rosina Templeton McIndoe Corliss.
An Act for the relief of Lily Tansky Dratofsky.
An Act for the relief of Anna Rosemarin Barsuk.
An Act for the relief of Christy Margaret Chisholm Cook.
An Act for the relief of Maud Ross Travers.
An Act for the relief of Mary McDowell Hyslop Forbes Cahill.
An Act for the relief of William Jackson.
An Act for the relief of Vera Mildred Holley Martel.
An Act for the relief of Ruth Gorofsky Hall.
An Act for the relief of Rita Latour Shugar.
An Act for the relief of Margaret Martin Stewart Scofield.
An Act for the relief of Robert William Goudie.
An Act for the relief of Nancy Catherine Harrison Moore.
An Act for the relief of Claire Wiseman Grynberg.
An Act for the relief of Claire Breitman Elias.

An Act for the relief of Lillian Florence Katherine Kaye Kulik.

An Act for the relief of Freda Siminovitch Mosessohn.

An Act for the relief of Agathe Groulx Grenier.

An Act for the relief of Pamela Mabel Mackrory Cameron.

An Act for the relief of Muriel Fishman Schmelz.

An Act for the relief of Virgile Zenor Joseph Poncelet.

An Act for the relief of Mary Besner Bray.

An Act for the relief of Philip Wanton Engs.

An Act for the relief of Blanche Marie Yvonne Boissonneau Dunlop.

An Act for the relief of Najla Tabah Ayoup.

An Act for the relief of Betsy Bruce Anderson Furlong.

An Act for the relief of Doris Mary Marjorie Evans Champagne.

An Act for the relief of David Anderson Guthrie.

An Act for the relief of Freida Stubina Lobe.

An Act for the relief of Mary Bridget Ellen Conway Demers.

An Act for the relief of Alexandrine Gauthier Boisvert.

An Act for the relief of Mary Grant Macintosh Dobell.

An Act for the relief of Marie Louise Irene Bouchard Magill.

An Act for the relief of Thelma Jennie Alvera Brownlee Leslie.

An Act for the relief of Elsie Roberta McCutcheon Cornish.

An Act for the relief of Vera Maude Rimmer Gasper.

An Act for the relief of Veronica Kazantseff Darrell.

An Act for the relief of Elsie Smith Brothers.

An Act for the relief of John Howard Clendenning.

An Act for the relief of Bessie Lillian Lockhart.

An Act for the relief of May Victoria Gledhill Hossack.

An Act for the relief of Marshall Frederick Lebeau.

An Act for the relief of Miriam Sarah Celeste Glass Butler.

An Act for the relief of Edna Vivian Eulie Hewitt Colclough.

An Act for the relief of Gladys Isabelle Brown Farewell.

An Act for the relief of Gladys Rollins Wilson.

An Act for the relief of Anna May Tedstone Mose.

An Act for the relief of Elsie Knight-Huckle Metayer.

An Act for the relief of Charles Emile Groleau.

An Act for the relief of Olive Eva LaBeau Carlson.

An Act for the relief of Julia Catherine Dwane Raymond.

An Act for the relief of Philip Slutsken.

An Act for the relief of Jessie Kathleen Batiste Latter.

An Act respecting Chartered Trust and Executor Company.

An Act respecting The Dominion Atlantic Railway Company.

An Act respecting The Pension Fund Society of the Bank of Montreal.

An Act to incorporate The North West Commercial Travellers' Association of Canada.

An Act to incorporate The Sisters of Saint Elizabeth Hospital.

An Act to incorporate Canadian Home Assurance Company.

An Act to amend The Judges Act, 1946.

An Act to amend The Family Allowances Act, 1944.

An Act to amend the Old Age Pensions Act.

An Act to provide for the Marketing of Agricultural Products in Interprovincial and Export Trade.

An Act respecting Guaranty Trust Company of Canada.

An Act respecting Oil or Gas Pipe Lines.

An Act respecting the Globe Printing Company.

An Act to incorporate the National Spiritual Assembly of the Baha'is of Canada.

An Act respecting a certain patent application of Walter Oliver Beyer.

An Act respecting The Canadian Artillery Association.

An Act to incorporate Interprovincial Pipe Line Company.

An Act to incorporate Westcoast Transmission Company Limited.

An Act to incorporate Trans-Northern Pipe Line Company.

An Act to incorporate The British American Pipe Line Company.

An Act to incorporate Western Pipe Lines.

An Act for granting to His Majesty certain sums of money for the public service of the financial year ending the 31st March, 1950.

After which the Right Honourable the Deputy of the Governor General was pleased to close the Fifth Session of the Twentieth Parliament of Canada with the following Speech:

Honourable Members of the Senate:

Members of the House of Commons:

In opening the present session, I stated that the first concern of government in world affairs is to ensure peace and security. To this end, the North Atlantic Treaty was signed at Washington on April 4, after its principles had been overwhelmingly approved by both houses. I am gratified that you have given unanimous approval to the treaty which it is the intention to ratify at an early date.

There has been deep satisfaction throughout the country at the completion of the original plan of confederation by the admission of Newfoundland as the tenth province on March 31.

Provision was made for the continuance of certain transitional measures, of the Agricultural Products Act and of the Foreign Exchange Control Act. My government has welcomed your approval of the International Wheat Agreement which it is hoped will be approved by a sufficient number of signatories to bring it into force on July 1, 1949.

As further instalments in the government's policy to provide a national standard of social security, you have passed measures designed to broaden the scope of the Family Allowances Act and to increase the amount of pension paid by the Federal Government under the Old Age Pensions Act.

Other measures enacted during this session include bills respecting the control and regulation of interprovincial and international pipe lines, the Judges Act, the National Parks Act, Mail Contracts and the Canadian Commercial Corporation.

Members of the House of Commons:

I thank you for making provision for essential services for the period required for the holding of a general election and the assembling of a new Parliament.

Honourable Members of the Senate:

Members of the House of Commons:

May Divine Providence continue to bless our country with peace and prosperity.

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